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The Theory of Economic Progress*

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Introduction

In his book, *The Theory of Economic Progress*, C. E. Ayres presents a new and most stimulating way of thinking about economic change. In part this way of thinking is the result of an attempt to explain the relationship and difference between acting and thinking, intelligent (conscious) conduct and unconscious conduct, individualism and socialism, and especially between institutionalism and technology.

The author makes a rather rigorous distinction between the technological process on the one hand and institutionalized ways of behaving on the other. These two phenomena abide side by side in every culture and, as far as I can see, constitute the sum total of culture according to Ayres. However, he holds that institutions are not helpful to technology but are at best a necessary evil to technological progress and are in fact present as a brake or a "drag" or as inertial resistance to the latter.

In what follows I want to point out the sense in which Ayres has confused these two processes and has committed the fallacy of vicious abstraction by his assumption that the technological process is somehow complete in itself and that institutions are, on the other hand, complete in themselves. I mean by "vicious abstraction" simply believing that things which can be conceived apart from each other may in fact exist apart from each other. For example, we can conceive (and talk about) the inside of a

* Comments on "*The Theory of Economic Progress*" by C. E. Ayres, University of North Carolina Press. 1944.

ball as over against its outside. Yet neither can exist apart from the other. Now if it is true that institutions are always a hindrance to technological progress then it follows logically that the two processes can in fact exist apart from each other. Here I shall contend that they cannot exist apart.

Also, Ayres assumes explicitly or implicitly that novelty (which is basic to technological development and progress) is confined to the more or less accidental (i.e. accidental with reference to our purposes and thoughts; which is to say that mind is not any part of its cause) confluence of pre-existing tools and, ultimately, to pre-existing machines (of which there are said to be six in number). In other words, reason and ideas, which are really habitualized ways of thinking, tend to preclude progress. This means that in so far as ideas have anything at all to do with technology they are either a by product caused by technology (or tool action) or they have an independent origin. In either case they impede the next step in technological progress since, by definition, the latter is an innovation relative to habits of thinking and acting. Ayres seems to contend that ideas can not aid in technological progress since they are by nature simple deductions from previous ideas and, being so, they constitute habitual ways of thinking and acting which tend to perpetuate the technological *status quo*.¹ But to perpetuate the *status quo* is the opposite of progress which must perforce come about, not by cause of thinking, but by the accidental meeting of different technological contrivances such as the telephone and wireless telegraphy which, he contends, "equals" the radio.

Ayres believes that technological progress is simply the result of the combination of pre-existing tools or of technological de-

¹ "Where the solution is a matter of putting together existing pieces, it may be impeded by fixed ideas, preoccupations, and other behavior 'sets,' . . ." *The Theory of Economic Progress*, p. 117.

" . . . all students of technology have recognized that it (technology) is but one aspect of culture and that culture exhibits another aspect which is inhibitory to the technological process just as gravitation inhibits centrifugence. In some communities apparently, technological progress has been totally arrested," *ibid.*, p. 121.

"This sense of intellectual compulsion to follow traditional ways of thinking is bound up with our whole conception of value, and our emancipation will not be complete until it has included that category," *ibid.*, pp. 122-123.

vices and that such combinations, although accidental with respect to thinking, are necessary or "inevitable" in the sense that unthinking physical processes bring them together.

In what follows I shall discuss Ayres' conception of novelty, inevitability, and thinking. I disagree wholeheartedly with the contention that institutions can be separated in fact from technology, that novelty consists merely in the re-combination of pre-existing parts and that thinking is purely deductive as over against inventive or creative. Rather, as I hope to explain, technology is in fact inseparable from institutions, for institutions constitute the necessary medium or the matrix for technological phenomena and, if there is such a thing as society free from technology (as apparently there is among lower animals at least) then society and, consequently, institutionalized ways of behavior are more basic (in the sense of being both temporally prior to and logically necessary for technology) than technology. In short, technology or "tool-action" cannot be carried on outside of institutions any more than one can act *in vacuo*. Secondly, "novelty" cannot be defined as the combination of pre-existing entities with any degree of satisfaction or significance. It has been an institutionalized way of thinking (or habit of mind, to which Ayres falls heir) to conceive of an effect as being in and like its cause. In our quest for explanation we tend always to assimilate the effect to the cause and to accept nothing new but the combination *itself*. This is a confusion of thought, for combination can give only quantitative differences. What will we do with qualitative differences either in the field of evolution in general or in evolution in technology? Obviously if there is technological progress there is qualitative change and not just *more* of the same thing, nor are these qualitative differences simply in consciousness but are, rather, in the technological process itself.

Finally, Ayres fails utterly to distinguish between two types of thinking. The one I will call analytic or deductive; it has been designated also by the purely rational way of thinking. In this type of thinking one simply unravels the implications of propositions taken for granted (for the time at least), but does not discover any new truth. A good example is Euclidian geometry which set the pattern for all reasoning in Western civilization, whether

it be in physics, sociology, economics, etc. This type of reasoning tends to turn every science into a purely deductive science.

But there is another type of reasoning which is creative. It is other than the process of putting pre-existing ideas together or tearing them apart. It is the process of having new ideas, and there is, as far as I know, no possible way of stating the condition under which a person will have a new idea necessarily. That is, there is no rational way of explaining the origin of new ideas lest these ideas be deductible and, therefore, not new. For this very reason creative intelligence or new ideas cannot be inevitable. To be inevitable is to be predictable. But, of course, always afterwards we say "we might have known that such and such would come to pass." This, I fear, is the way Ayres reasons on this matter. Always afterwards we see the reason, the inevitability of something. But is this anything more than saying "what has happened has happened or what will happen will happen?" The questions are: What specifically has happened? and What specifically will happen? Certainly "inevitability" loses all meaning in modern science where we must *wait* for answers to our conjectures and predictions. Conversely, what does it mean to say that what happened is inevitable when we have no test for our statements? After all there is just one technological progression and no one can ever bring it into the laboratory. But there are some things that can be tested in the laboratory; namely, our ideas.

It is my contention that ideas make a difference to technological progress in the sense that without ideas there would be no technology. Ayres' supposition that the technological process can be separated from ideas is responsible for his neglect of such great men as Galileo and Newton, etc. Ayres would write the history of technology without considering the "intellectual tools" which, I believe, are in fact indispensable to modern science. Is the Arabic numeral system an institutionalized way of thinking which, consequently, hinders progress? Was the metric system purely accidental and formulated without consideration of its possible eventualities for science? Are the laws of motion as set down by Newton simply a combination of old laws or of old ideas? If so, what laws and what ideas?

The Meaning of Novelty and the Inevitable.

One assumption, implicit or explicit, running throughout Ayres' book is the age-old belief that the nature of a thing consists in its analytical parts. This fallacy is due to a confusion of things with our method of understanding them for the purpose of control. For example, it is possible to analyze a single vector into an infinite number of couples of vectors such that each couple is equivalent to the original vector analyzed. But we do not confuse any given couple with the single original vector. Similarly, it is possible to analyze water into its component parts, oxygen and hydrogen. Yet no one can sensibly contend that water is nothing by hydrogen and oxygen. Water is *qualitatively different*, and in this qualitative difference (which is irreducible) we have the nature of water. To say that something, such as a radio, is *nothing but* what it can be analyzed into is a confusion of quality (which belongs to things to which our method is applied, i. e. to metaphysics) and quantity (which belongs to methodology).

Now there is no sense in saying that tools are nothing but their analytical parts. It might be the case that we start with a pencil and get wood and graphite through analysis, but a pencil is not wood plus graphite—it is a pencil having properties that belong to neither of the analytical parts. It is qualitatively different from the parts. Since all will agree that space is homogeneous, then certainly the position of wood and graphite make no difference to what they are. That is, the qualitative difference cannot be found in the combination itself. It is to be found, then, in the nature of the pencil. This new thing did not come from any place (as if all things have to be some where at all times). Rather we have the epigenesis of novelty.

That which is new contrasts itself with that which is old in the sense that the two are qualitatively different from each other. That is, they are irreducible to each other either logically or (consequently) metaphysically. By this we mean that in the evolutionary process the results are not to be analyzed "out of" their causes lest the effect and cause be one and the same thing. But if cause and effect are one and the same, what happens to qualitative differences; i.e. the distinguishing features? Now if one cannot reduce effect to cause, then certainly one cannot find the

effect in the cause. That is, by the deductive method or purely rational method one cannot predict what the effect will be, given the analytical parts in separation from each other. Rather we must wait for the answer.

This fact; namely, that the laws of nature do not follow from the nature of the analytical parts, such as atoms or simply mass, is one of the outstanding concessions in recent science. Not a few scientists have tried in vain to discover the "inherent nature" of matter and, on that basis, to construct all of the rest of science. Had they been successful, then all future science would be but a matter of deduction left to skilled mathematicians and logicians and all laboratories could be disposed of without loss. But what these former rationalists and "inevitabilists" overlooked was the *novel* phase of nature—those things which are known only by waiting for the answer.

From the fact of novelty it follows that predictions are never certain, for by definition the novel or the emergent is that which does not follow from previously accepted laws of nature. Rather the contradictory of the novel follows from the old laws. How, then, is it possible to conclude that the novel is inevitable? To be inevitable means to follow of necessity from pre-established laws and, therefore, to be predictable with certainty. In orthodox physics the inevitable is the predictable and the caused. Or the caused is the inevitable and the predictable. But since no one can predict which inventions will take place next or which innovations will transpire, then what is the sense in saying they are inevitable? But, Mr. Ayres might argue, *after* the novel has taken place we can go back and *construct* the laws from which they will follow *of necessity*. Precisely! It is always *after* the exceptional phenomena (exceptional to an accepted order) have occurred that we reconstruct the past or formulate a new past so that the new, unanticipated, unpredicted, and unpredictable phenomena can be seen to follow consistently from *an* order—but not from "*the*" order. But all scientists from the time of the Greeks will agree that if anything at all is inevitable it is predictable and is certainly not novel. Aristotle emphasizes his contention that the unpredictable (or that which has no preconceived form or cause) is accidental and some early moderns, such as La Place, in their

rationalistic, mechanistic temperament, go so far as to say "there are no accidents." This seems to be Mr. Ayres' view, but as indicated above, such a doctrine does not leave room for experience and the laboratory. Yet we know the novel is accidental with reference to predictions. Furthermore, if the rationalists and mechanists are correct, then novelty admittedly is impossible and "progress" is a nonsensical word, for there would be nothing qualitatively different in the world, nothing new, but at best a mere change in the spatial position of bits of matter whose primordial nature is always the same. And since space is homogeneous (by which we mean it makes no difference to the what it is that is in it where ever it might be) then any qualitative difference whatsoever is simply something added by the mind and does not belong to things outside our minds.

Indeed Mr. Ayres presents a strange problem to those who try to reconcile his theory of invention, of novelty, of the inevitable, of the accidental, etc., with recent developments in the logic of science. It appears that he would ride three horses at once—each headed in a different direction. First, developments in technology are accidental to mind, but inevitable from the standpoint of objective nature. That is, they are not predictable but nevertheless have necessary causes. But the concepts: prediction and cause, prediction and the inevitable, or, more basically, epistemology and metaphysics, have never before been separated in this manner. Such is a confusion and in fact a contradiction in terms, for if something in the future is inevitable, then one is duty bound to state the laws from which it will follow; i.e. one must predict it. All purposive behavior involves such prediction. Secondly, things, such as inventions, are inevitable according to Ayres, yet they come as surprises. Is this anything other than saying that what has happened has happened and what will happen will happen? And if one cannot see the reason before the event transpires, then one will "fix up" a reason afterwards? To separate the concepts "inevitable" and "predictable" is a violation of the use of language from early science to the present, including the language of rationalists, empiricists, idealists, realists, mechanists, evolutionists, etc. Thirdly, Mr. Ayres believes in progress, but logically he cannot accept qualitative difference or qualitative change. We have a

fundamental law in physics—the first law of thermodynamics—to the effect that the numerical value of the quantity of energy in the universe is constant. There may be transformations of energy, but no qualitative changes. From this it follows that, with respect to energy itself, there is no evolution, no increase or diminution, no years wearing it away or adding to it. Can this be said of qualitative change? No, for qualitative changes are non-additive, by which we mean that if two things, *a* and *b*, are qualitatively different in some respect, those differences have no denominators in common so that it is impossible to say of *a* that it is $\frac{3}{4}$ (or $\frac{1}{2}$ or any other numerical, i.e. quantitative, value) times as great as *b*. In brief, if an invention is equal to the sum of its analytical parts, how can there be either qualitative change or progress?

Let us attack the problem of novelty versus recurrence in a different but, I hope, a somewhat more rigorous fashion, in order to show finally that the novel is not reducible to its past conditions or causes.

The seventeenth century scientists made explicit the age-old suppressed premise that if one could discover the inherent "nature" of reality (matter, say) then all future phenomena would be deducible from that discovery. In brief, the laws of nature are but necessary implications of the nature of things said to exemplify them.² This type of assumption has its companion in the sociological doctrine that ethical and sociological or even economic laws follow from the nature of man. However, I believe this is sheer nonsense. Today we work in the opposite direction. The laws of mechanics, say, do not follow from the nature of matter or mass and deductively; rather the "nature" of matter follows from the laws of mechanics as experience reveals and confirms them. What a thing will do in a certain situation is not pre-determined by or predictable from its "nature." By recognition of this fact we have

² In the eighteenth century D'Alembert wrote: . . . Hence this is the way the scientist should follow: first he should try to discover through reason alone which would be the laws of mechanics in matter abandoned to itself; then he should investigate experimentally what are really such laws in the universe. If the two sets of laws be different, he shall conclude that the laws of mechanics, such as those yielded by experiment, are of contingent truth, since they would appear to spring from a particular expression of the Supreme Being; if on the other side, the laws yielded by experiment agree with those deduced by logic alone, he shall conclude that those laws are of necessary truth; . . .

made room for evolution and for novelty in the philosophy of science.

But Ayres would conceive of an invention or of a technological development as *nothing but* the pre-conceived, pre-established parts.³ Logically this implies that an invention follows from the inherent nature of things in separation. What modern science recognizes is the genuineness of the invention itself. It has reality *other than* the analytical parts and is qualitatively different from them. A machine may be analyzed into the six fundamental or primary machines, but in analysis the thing analyzed loses its fundamental character. Things are not what they are analyzable into. They are what they are before being analyzed. They are qualitatively different from their analytical parts. In fine, analysis belongs to methodology; things analyzed belong to metaphysics. A radio is not a telephone plus wireless telegraphy. A building is not brick plus mortar. Has man's mind had anything to do with the synthesis of analytical parts so that the resulting effect is qualitatively different from these parts? Ayres says no. I hope to show that he is mistaken.

Institutions and Technology.

It is more than puzzling to learn that on the one hand Ayres professes to accept John Dewey's thesis that thinking occurs only in a field of action and is designed to facilitate action while on the other hand he contends that technological progress takes place apart from thinking and that more often than not thinking is a hindrance to progress.⁴ Ayres' view seems to be epitomized by the phrase "institutionalism versus technology."

³ "It is now generally agreed that all inventions are combinations of previously existing devices. Thus the airplane is a combination of a kite and an internal combustion engine," *ibid.*, p. 112.

⁴ "But it is the tools themselves, not the people, that have been hybridized. Such innovations—and they include some of the most important technological advances in history—are not to be explained by any special excitations of the imaginations of the people among whom they occur. As a matter of fact the people most directly concerned are usually quite unaware of the importance of what is going on; and furthermore, once the mutually conditioning devices have been brought together, no sublime inspiration is necessary to the recognition of the pattern. The combination occurs almost "of itself," often quite anonymously," *ibid.*, p. 118.

Ayres does not formulate a rigorous definition of "institution." Vaguely he conceives of an institution as something we "go to" at certain times.⁶ For example, he says "People go to (a) church (building) on Sunday . . . children also go to school (building) from nine to three . . . But is "science" something that one does on certain days, something that one 'goes to'? Or machine technology?" I would answer simply that one *goes to* the laboratory, the library, etc., and that if religion consists in "going to" something, then so does technology. (Even one "goes to" a field to plow "scientifically"). His distinction is not at all useful and I shall try to clarify the meaning of "institution" with the hope that this meaning is consistent with Ayres' broader use of the concept.

It is possible to conceive of "institution" as any human social process which tends to exemplify the same fundamental pattern throughout. This would be a species of what might well be called "habitualized action," and such activities are exemplified in thinking (as when one applies the same way of thinking to different problems), in religion (as when fundamental tenets are not questioned but serve always as a basis for religious activities) or in science and technology as Ayres conceives them (as when we accept the decimal system, the Arabic numeral system, the metric or English system of measurement, or when we acquire habits of using certain tools, etc.) etc. In this sense either a habit or, consequently, an institution contrasts itself with an innovation or with qualitative change. Also, if applied to group action, it contrasts itself with the individual, which is to say that a person is an individual in so far as he stands over against the group. Individualism, then, means acting or having ideas leading to actions which do not follow from institutionalized ways of acting but are, rather, innovations. Thus one might propose new marriage laws or even new laws in science as well as new types of technological behavior, in which cases the habitualized ways of behaving would be put in question.

Here we must point out that an innovation is novel in the sense that it does not follow logically from that with respect to which it is novel; namely, institutionalized ways of thinking or behaving. That is, an innovation is neither deductible from an institution nor is it the mechanical sum of its causes. It is qualitatively different,

and in evolution it is called an emergent, in the technological world it might be called an invention, and in sociology it might be called the unsocial or the irreligious or the immoral, for the time at least. In so far as we try to "justify" the innovation, either logically, socially, morally, etc., we attempt to institutionalize it. For example, if one tries to justify his act of "deserting" his wife, just so far does he recommend that such an act be approved by the group as a whole and that it might well be practiced and accepted as moral under such circumstances. In so far as a person "repents" of his action, he acknowledges the validity of the old institution and does not attempt to set up another institution in its place.

Here we see that one institution replaces another in rational conduct, but institutions are with us always. The new institution did not arise from a combination of old ones. It is an innovation and often, as in the case of democracy, it constitutes a direct rebellion against the old. In European history a person was either a loyalist or a rebel, but if in our principles of democracy we can make room for the individual, i.e. for innovations, then we have institutionalized change, but not any change. We simply have an orderly way of accepting innovations and of revising institutions.

Here, as we can see, it is not meaningful to pit the individual against institutions in general, but only against particular institutions, for the individual with his new ideas tries to establish new institutions even as mutations or any event exceptional to old laws and an old order call for the reconstruction of an order from which such novelties follow systematically. Consequently we should not argue the questions: Which is more basis, the individual or society (the institution)? or, Which is the cause of progress, technology or institutions? Our problem really is this: What is the functional relation between the individual and society, between inventions and technology, between technology and institutions? Certainly technology cannot be carried on without human beings or without institutionalized ways of behaving. Even an invention presupposes more or less wide application for a length of time. If an invention is accepted it has been institutionalized, and vice versa. To be sure we do not write "finis" whenever a new type of institution replaces the old. We must make room for still other superseding institutions, and so on. One thing is clear: the new

institution is not the sum of the old ones, for it is the very nature of the new to contradict the old.

In Hegelian philosophy, as in Marxism, we have the doctrine that thesis and antithesis are synthesized. The synthesis is somehow a logical combination of previously competing forms or classes and finally, according to the doctrine, one class is assimilated into the other—the victor—which in turn competes with another class, and so on. But what Hegel and Marx overlook is that in progress or in evolution it is not one class pitted over against another class but rather a particular class (or institution) pitted against an individual, or an habitualized way of acting pitted against the proposed innovation. It is the particular idea or individual which stands over against the group, but only for the purpose of reconstructing it in such a way that he can be an integral part of it. More specifically, institutions do not stand over against technology, but rather every technological device calls for an institution (possibly a reconstructed one) in which it can operate, and many institutions call for corresponding technological devices by which they can be carried on. The question is not: Does the institution *permit* technology of a certain kind, or does technology *permit* a certain kind of institution?⁶ Rather: What is the functional relation between technology (or tool action) and institutions (or habitualized ways of acting)?

Can technology be carried on without institutions? Obviously so if institutions are conceived as those things which by definition hinder technology. But if we define "institution" as that which hinders or tends to hinder technology, then there is no sense in trying to prove that they do so, for one can neither sensibly argue about nor prove definitions. What Ayres wants to show is that institutions, not by definition, but in fact hinder technological progress. Hence it is as foolish to conceive of technology and institutions as excluding each other by definition as it is to conceive of individualism as that which is opposed to and hindered by social action. An individual is an individual only if he is in a society. What the individual rebels against is the old institution, but at the same time his rebellion is a plea for a new institution in which his new ideas may be carried out. This new institution

⁶ See *ibid.*, p. 179.

not only *permits* his new idea to become actualized; it is a necessary condition for the realization of the new idea. In saying that an institution is a necessary condition for the actualization of an idea and, consequently, for the application of an invention, we do not wish to suggest that ideas and institutions are casually related in the old sense of the term. In fact we have discouraged this concept of causation continually, for we do not mean that one event (effect) can be analyzed out of another (cause). The presence of the earth is a necessary condition for the weight of mass on the surface of the earth, but the earth is not the cause of weight in the sense that weight either was or is *in* the earth. Technology is no more opposed to institutions than is a discovery, such as Newton's laws of motion, opposed to science. Certainly Newton's laws are in opposition to Aristotle's physical laws, and both cannot be true; nor does Newtonian physics follow from Aristotelian physics in the sense that the former can be analyzed into the latter. Yet it is clear that Newton was not trying to refute science—he was trying to set up a new science. Similarly, no invention, no “advance” in technology, is opposed to institutionalism, but may call for a new type or a modified type of institution in which the invention can be put in practice. However, let us not think that an invention could be put in practice in *vacuo*, i.e. without an institution.

Each and every technological device whatsoever calls for its corresponding institution in which it can be applied. It may be that the old institution does not permit the new invention to operate, even as old roads do not permit the operation of automobiles travelling seventy miles an hour. Nevertheless automobiles cannot travel without roads—nor can they “carry on” so as to fulfill their “technological nature” without traffic laws, i.e. without institutionalized ways of behaving.

Ayres writes:

If the institutional structure which prevailed in Europe prior to the industrial revolution of the past five centuries or so had been sufficiently solid and rigid to inhibit technological change, then it goes without saying that the change would not have occurred. Since the industrial revolution did occur, obviously the institutional structure which it confronted was insufficiently solid to prevent change.⁶

⁶ *Ibid.*, 177.

Now these may be true statements, but if so it is only because they are purely tautological or analytic. Let us make similar ones to illustrate the point. Suppose we say that if a prize fighter is strong enough to prevent himself from knocking his opponent out, then he will not knock him out. But since he did in fact knock his opponent out he was not strong enough to prevent himself from doing so. Of course all of this makes sense only if we *presuppose* that the strength of a fighter is always used to prevent himself from knocking his opponent out. Similarly, if we assume that institutions are opposed to technology, then Ayres' statements make sense. But this is the very point he hopes to prove and, therefore, he begs the point in question. Ayres continues:

To attribute the total process (of technology) solely or even primarily to the agency of institutions is equivalent to attributing a crime wave to the weakness of the forces of law and order.⁷

And his conclusion is that in so far as institutions have a causal relation to technology they are purely passive and permissive and inhibitory, but never active or compulsory.

But can crime take place apart from either society or law? I think not. And although neither law nor society may be a cause (in the mechanical sense) of a particular crime, certainly both are necessary conditions for crime. (Dogs are not taken to court). Similarly, institutions are necessary for inventions and new ideas, and although, as shown above, inventions do not arise out of the past of necessity, it is the invention or the novel idea which is in reality the rebel with respect to certain institutions, and it is not the case that institutions constitute the criminal phase of culture with respect to technology, as Ayres' analogy would suggest. Yet it must be made clear that any particular invention calls for a corresponding institution in which it can operate, and is not criminal in general, even as new discoveries often refute past beliefs but call for the establishment of new ones, but not the same beliefs.

A particular invention does not oppose all institutions. Each and every one of the hundreds of inventions pertaining to telephones and waiting in readiness to be applied presuppose that

⁷ *Ibid.*, 177.

most of the present institutions pertaining to home and business life will continue as they are. It is impossible to separate ceremonies, culture, and institutions from technology except in our imagination and for purposes of discussion. Hence in fact institutions are bound to technology necessarily. An institution or an established way of acting must last long enough for an invention to be what it is. A particular institution, even as a particular tool, may come and go never to recur, but institutions we have with us always as a necessary condition for technology.

Thinking and Technology.

Ayres conceives of the technological process as taking place inevitably⁸ and as being complete in itself irrespective of human purposes or reflective thinking. He writes:

These combinations (of tools) are physical not less than ideational. To be sure they are achieved by men, usually by men of great ability. But the things they put together are physical objects. The co-existence of these objects constitute a possibility of combination which transcends the act of any individual. It is in this sense that inventions seem "bound" to occur . . . Granted the much lighter internal combustion engine, its application to . . . the kite was bound to result . . . in . . . the airplane.

Of course we grant that one cannot put together what is not before him to be put together. But in putting the kite and the airplane together there were many principles and laws, not tools, involved also. There was not simply the juxtaposition of kite and airplane. Bournilli's principle, Newton's laws, Huygen's law of centrifugal force, etc., were involved. We must remember that these principles and laws are used for the purpose of constructing new devices and that they are abstractions based on experience and designed to answer to future experience. Yet they are not, like hammers, picked up by a handle. They are not there in nature apart from man. They are, rather, guiding principles in man's behavior⁹.

Ayres neglects the theoretical phase of the technological process in fact, and it is not within the limits of his theory of economic progress to include it. It may well be that if the technological process did take place independently of ideal principles and theoretical considerations (which can arise only by virtue of

⁸ *Ibid.*, 115-116.

⁹ See *ibid.*, 118.

thinking) then Ayres' conclusion that "the tool-combination principle is indeed a law of progress"¹⁰ would have heavy support. But this is not the case in fact and, consequently, his further conclusion that institutions constitute a damper on progress falls also. For if the tool-combination principle is not complete in itself, then some extraneous factors must be introduced to complete it. One such factor, we contend, is reflective thinking. Another factor, closely allied with reflective thinking, is involved in all formal systems such as the Arabic numeral system, the metric system, the logical systems of thought, all definitions, etc. These systems belong to the formal side of knowledge and action, and indeed as such none of them gives us any knowledge about the world of fact. But they are absolutely indispensable to the "putting-together" of pre-existing material objects in such a way as to have what may properly be called an invention in technology. And although the metric system, say, is not something we "go to" as we go to a library, it certainly is an institutionalized way of thinking. To be sure it is subject to being changed, for it is a system which men have *decided* to accept, and all decisions may be recalled.

There are many such basic decisions to be made before anything approaching a generalization or a socialization of science and, consequently, before technology is possible. Among them, of course, are the systems of weights and measurements, of language, and of all formal systems and symbols by means of which we *know* anything at all. All of us know that decisions are neither inevitable nor due wholly to factors in the external world and that they are basic to science. Newtonian calculus is not a tool in the sense in which Ayres uses the word. Of course we can beg the point in question at this juncture by contending that it is a tool belonging to the technological process inasmuch as it is an aid to technology. Here let us point out once more that if Ayres intends merely to define "technology" as anything which makes for progress in society or in the amelioration of human wants, and if he intends to define "institution" as anything opposed to such progress, then indeed his book is a dic-

¹⁰ See *ibid.*, 119.

tionary and not a consideration of facts. No doubt Ayres intends his book to be a consideration of facts and he hopes to show that in fact (not by definition) institutions are opposed to technology. But in order to show that in fact two things (or more) are related in certain ways and not related in other ways, one must define these things such that the relation itself is neither necessarily included nor excluded in the definition. Hence it does not make sense to conceive of Newtonian calculus or any part of the formal phase of knowledge as belonging to technology if it is conducive to progress or as belonging to institutions if it is a hindrance to progress. Certainly the Arabic numeral system is more conducive to scientific progress than the Roman numeral system. Yet it may be argued that the decimal system is less conducive to progress than would be a system having twelve or eight as the base. But who would be so foolish as to wait until we have the "absolute" and "true" system—or who would claim that all numeral systems are a hindrance to progress simply because none is "perfect"? Or, again, who can rightfully claim that all institutions are in fact opposed to progress because some happen to be less conducive than others? We must remember that *some* numeral system—*some* formal system—is essential to science. Similarly some institutions are essential to technology.

These basic decisions in science are a result of reflective thinking. Let us show that the particular application of them involves reflective thinking also. As pointed out, it is tautological to say that man cannot put together what is not there ("before" him) to be put together. But invention is not merely the putting-together of pre-existing tools. In fact one cannot take a pre-existing gas engine and a pre-existing kite and put them together so as to have an airplane. Rather one has in mind *before hand* the notion of a-body-heavier-than-air-flying. One must remember also that there is no such thing as a gas engine *per se*. Rather it is a gas engine *for* pumping water, *for* propelling an automobile or *for* propelling a boat, etc. By which we conclude that not pre-existing tools, but things (pre-existing not as tools but as raw materials) plus principles derived from experience and thinking that are put together. These principles make the technological device new and, possibly, progressive.

The world must be conceived ultimately as neutral stuff if it is to take on or constitute the basis of a new object. Final causes must be relegated to minds of men and taken out of nature as such if inventions (or technological progress) is to be possible. The goals or ends must, therefore, be taken out of the physical world. They cannot belong to the technological process as such. In fact goals are supported by man and become institutionalized to the extent that they become common ends. That which furnishes qualitative differences in the technological process is, therefore, obviously not the neutral stuff—or even the elemental machines—but rather the use to which tools are put; i.e. the purposes for which they are designed. Their purposes, remember, are not in the tools as such; they are not in nature *per se* (anti Aristotle and the mediaevalists). They are in the world only relative to man's planning, which involves reflective thinking. The mechanical world view, i.e. the metaphysical reduction of complexes to their analytical parts, is a methodological device which frees the external world from purposes only to justify the superimposition of man's purposes upon the world. Mechanically the world constitutes neutral stuff, even as mass is neutral and indifferent to its many possible futures according to Newton. Consequently it can take on quality, it can have a future, only as determined by external causes or conditions. That which constitutes the future of a neutral world, that which conditions the technological process so that it becomes this as over against, that, is, we contend, not something within the process itself but reflective thinking and human institutions. He who contends that the technological process takes on qualitative changes (i.e., progresses) and that these changes lie within or are due to the nature of the process itself has, thereby, refuted the very principle he had hoped to prove; namely, that invention and progress in technology is *nothing but* the elemental analytical parts. For in speaking of the "inevitable" technological progress one assigns a history, a future, to the elemental parts and to technological change. How then can we say that the change, the "new" tool, is nothing but its parts, its past conditions for being? If one holds that the new tool is qualitatively different, he finds himself at a loss to explain how qualitative differences arise out of a

neutral stuff *unless* that neutral stuff has qualitative differences, final cause and purposes within it: i.e., *unless it is not neutral*.

Apparently Ayres' contention concerning the inevitability of the future of the world which, at the same time, has no final causes, is a contradiction. In modern science it is an implicit, if not an explicit, assumption that the future of a world which in itself is neutral can transpire only by virtue of external causes: by the superimposition of man's purposess upon the world. This means that man makes a difference—the difference—in the technological process. He can effect that difference only through reflective thinking and, ultimately, through social thinking which, when it is used as the basis for action, becomes institutionalized behavior.

The War-Time Increase in Member Bank Deposits in the Eleventh Federal Reserve District

ROBERT H. GREGORY*

One of the outstanding developments in the monetary structure of the United States during the second World War has been the great increase in currency in circulation and in demand deposits at commercial banks. Over the period 1892-1942 the circulating medium, which consists of these two items, increased at an average compound rate of 6 per cent a year. As is true during every war, the circulating medium both in this country and abroad has greatly increased. During the first World War the increase was about twice as rapid as the long-term rate, but from 1922 to 1929 the rate of increase was only 3 per cent a year. In the present war the rate and amount of growth has been greater than ever before.

From 1938 to 1941, adjusted demand deposits at member banks in the United States increased at an annual rate of 12 per cent. This increase in deposits before the United States entered the war was different from the experience during the first World War when deposits increased only slightly during the first year of European war. Whereas earlier the most rapid increase in deposits occurred in the second and third year of European war before America became involved, the most rapid increases in deposits in the current war occurred in 1942 and 1943. Reflecting the stimulative effect of war upon the amount of deposits, total deposits at all member banks increased at the very rapid rate of 33 per cent per year during the last half of 1942 and all of 1943.¹

Even though the Treasury has planned its financing program with the object of keeping bank purchases of securities and

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¹ The growth of currency and deposits during World War I and World War II to the end of 1942 is well described by Charles R. Whittlesey, *The Effect of War on Currency and Deposits*, National Bureau of Economic Research, 1943.

therefore monetary expansion at a minimum, total deposits at all member banks increased to 92 billions at the end of 1943 as compared with 49 billions at the end of 1939.² Individual banks, areas and districts have received widely varying fractions of this large increase in deposits. It is the purpose of this article to discuss some relationships between the rate of increase in deposits of member banks in the Eleventh Federal Reserve District and the size of the bank, geographical location, and other selected factors.

In keeping with the large volume of defense preparations and war activity in the Eleventh Federal Reserve District, banks in this area experienced more rapid increases in deposits both before and during the war than did banks throughout the nation. From 1938 to the middle of 1942, total deposits at member banks in this district increased at a rate of 15 per cent each year, but from July 1942 to December 1943 they increased at a rate of 45 per cent per year. The rapid increase in deposits at all member banks in the nation and in this district is chiefly the result of bank purchases of large amounts of Government securities in conjunction with war-financing because loans, the traditional creator of deposits, showed little net increase over the period. Bank loans and discounts increased during 1939, 1940 and 1941, but they did not increase further in 1942 and 1943 as Government credit gained in importance in financing war industries.

Most of the increase in bank deposits during the war-period, when measured in dollars, has been concentrated in the mid-western and eastern states which also received the largest fractions of total war contracts awarded. On the other hand, the percentage increase in demand deposits during the war has been greater in the southern and Pacific states than in the others. The moderate amounts of war contracts awarded in the states which might be classified as part of the industrial frontier have been accompanied by extremely large percentage increases in bank deposits. On a District-wide basis the San Francisco District had the largest increase in demand deposits, amounting

² The impact of war financing on the American banking system is described in "The Money and Banking System in Wartime," *Federal Reserve Bulletin*, 29: 1137-46, Dec., 1943.

to 214.4 per cent from the end of 1939 to the end of 1943. The Atlanta and Dallas Districts did not lag far behind, however, for demand deposits of individuals, partnerships and corporations at member banks in these districts increased 177.1 and 170.6 per cent respectively during this period. For all member banks in the nation, demand deposits increased 110.6 per cent during the first four years of war. While the nation-wide increase in deposits may be attributed to the purchase of 49 billions of United States Government securities during 1942 and 1943 by commercial banks and the Federal Reserve Banks, the increase in a selected area depends largely on the economic activity within that area.

As pointed out above, demand deposits of member banks in the Eleventh District increased at a faster rate than did the national total of demand deposits after 1938. Consequently deposits in this District represented a larger fraction of deposits throughout the nation in 1943 than in 1939. In 1939 and 1940, demand deposits of individuals, partnerships and corporations in this district varied between 3.4 and 3.8 per cent of demand deposits at all member banks in the nation, but they increased in importance during the next two years to become 4.1 per cent of the national total by the end of 1942 and 4.3 per cent in December 1943. The amounts of total deposits at member banks in the Eleventh District and the United States at June 30 and December 31 each year, as well as the relationship between the two, are as follows.

	TOTAL DEPOSITS Millions of Dollars		Per cent of Total in Eleventh District
	Eleventh District	United States	
June 30, 1939	\$1,437	\$45,873	3.132
Dec. 31, 1939	1,577	49,340	3.196
June 29, 1940	1,571	51,729	3.036
Dec. 31, 1940	1,738	56,430	3.079
June 30, 1941	1,814	58,515	3.100
Dec. 31, 1941	2,052	61,717	3.325
June 30, 1942	2,095	63,404	3.304
Dec. 31, 1942	2,868	78,277	3.664
June 30, 1943	3,115	84,016	3.708
Dec. 31, 1943	3,557	92,262	3.854

In order to have basic figures with which to compare changes in bank deposits during the war and to forecast prospective shifts after the war, the pre-war distribution of deposits may be taken as a starting point. It is highly improbable that the pre-war distribution of deposits at all banks or even within districts will be reached after the war for some of the newly developed industries will continue to operate and some of the war workers will remain where they now live. Each bank will undoubtedly be able to retain part of its war-time boom in deposits even though part of the increase will follow the industries and workers that leave. If the pre-war distribution of demand deposits among the twelve reserve districts prevails after the war, those districts which have had greater than average increases in demand deposits may expect to lose part of the increase. Total deposits throughout the nation will probably remain at or near the war-end peak for several years. However, if the peacetime pattern of deposit distribution among the reserve districts should be restored now, member banks in the Eleventh District would lose about \$600,000,000 of deposits for the increase in total deposits at member banks in this District exceeded the rate of growth at all member banks by this amount. The higher-than-average increase in total deposits in the Eleventh District can be compared with the nation-wide increase in the following manner.

	Eleventh District (Millions of Dollars)	United States (Dollars)	Per cent of Total in Eleventh District
Total Deposits at Member Banks in December 1939 were.....	\$1,577	\$49,340	3.196
If deposits in the Eleventh Dis- trict increased only as fast as the national total, the in- crease from 1938 to 1943 would have been	1,375	43,078	3.196
Then total deposits at the end of 1943 would have been.....	2,952	92,418	3.196
But deposits in the Eleventh Dis- trict increased more rapidly than deposits throughout the nation. The excessive increase was	604		
Actual total deposits at the end of 1943 were.....	3,556	\$92,418	3.854

The amount by which deposits in the Eleventh District increased more rapidly than the total in the nation, \$604,000,000, represented 17.0 per cent of the total deposits at member banks in this District at the end of 1943. The importance of such a large outflow of deposits, if it does take place, can be seen easily when compared with the \$2,220,000,000 of demand deposits and \$3,556,000,000 of total deposits in this district at the end of 1943. In case the national debt is greatly reduced, deposits at all banks taken as a group will decrease in addition to those losses in deposits which may arise because of transfers out of the District.

Similar reasoning may be applied to determine probable shifts of deposits from one area or county to another within the District. Banks in areas where large amounts of war material have been produced, near army camps, or in areas where a large civilian in-migration occurred during the war may look forward to an outflow of deposits as war activity is reduced, army camps are closed, and workers leave the vicinity. A flow of deposits from some banks to others within the District may be expected even though the District as a whole retains most of the increase in deposits that occurred during the war.

A computation similar to that used above can be applied to an individual bank to determine whether or not its deposits have increased more rapidly than average and consequently whether it will gain or lose deposits if the pre-war distribution of deposits within the District is later reestablished. Total deposits of a typical bank in Central Texas selected at random increase from \$1,191,000 at the end of 1939 to \$2,992,000 at the end of 1943, a gain of 151.2 per cent. This increase was appreciably greater than the increase in total deposits for all member banks in the Eleventh Reserve District which amounted to 125.6 per cent. If total deposits of this single bank had increased only as rapidly as the average, its deposits would have amounted to \$2,687,000 at the end of 1943 ($\$1,191,000 + 125.6\%$ of $\$1,191,000$) instead of \$2,992,000 which they actually were at that time. The difference of \$305,000 ($\$2,992,000$ less $\$2,687,000$) represents the amount of total deposits this bank would lose if the pre-war distribution of deposits within the District again prevails, assum-

ing for the moment that no change will occur in the amount of total deposits at member banks in the District. Of course, the loss of deposits by this bank will likely be less than this amount but it can look forward to an outflow of this magnitude if the economic pattern of pre-war America is restored.

Total deposits at all member banks in the United States increased only 87.0 per cent from December 1939 to December 1943. If total deposits of the Central Texas bank selected for study had increased only 87.0 per cent instead of the actual amount they did increase, its deposits at the end of 1943 would have been \$2,272,000 ($\$1,191,000 + 87\%$ of $\$1,191,000$). The prospective loss in deposits for this bank if the pre-war distribution of deposits for all banks within the Eleventh District and among all of the Reserve Districts is restored would be \$720,000 ($\$2,992,000$ minus $\$2,272,000$). It is highly unlikely that the deposit outflow after the war will be this large, and there is reason to believe it will be only a fraction of this amount.

While total deposits of member banks in the Eleventh District more than doubled from the end of 1939 to the end of 1943, individual banks had widely differing experiences. Deposits at some banks increased very little, but for others the increase was more than 500 per cent. The percentage-wise growth in deposits was not, as might have been expected, highly concentrated in the smaller banks, for all sizes of banks (as measured by total deposits at the end of 1939) seemed to have about the same rate of increase in deposits. Table I shows the percentage increase in total deposits from the end of 1939 to the end of 1943 for member banks in the Eleventh District. Banks with less than \$2,000,000 of deposits at the end of 1939 had an average increase in deposits of 147 per cent during the next four years. Banks with more than \$2,000,000 of deposits saw their deposits climb 114 per cent, which was slightly less than the increase of 125.6 per cent in total deposits of all the member banks. The spread within any group was large, however. For example, of the 146 banks having deposits between \$500,000 and \$999,000 at the end of 1939, 73 of these had deposit increases ranging from 40.8 to 151.2 per cent in four years. The remaining 73 had larger

than average increases amounting to 151.2 to 503.1 per cent.

TABLE I
INCREASES IN DEPOSITS DURING 1940-43 OF ALL MEMBER BANKS
IN THE ELEVENTH FEDERAL RESERVE DISTRICT
GROUPED BY DEPOSITS

Deposits at end of 1939	No. of Banks	Percentage of Increase in Deposits		
		Minimum	Median	Maximum
Less than \$250,000	90	32.6	149.6	419.2
\$250,000 to \$499,000	126	33.3	159.3	566.3
\$500,000 to \$999,000	146	40.8	151.2	503.1
\$1,000,000 to \$1,999,000	98	9.1	127.7	632.0
\$2,000,000 to \$4,999,000	46	22.9	116.0	318.3
\$5,000,000 and more	57	34.7	111.7	222.4
All banks	563	9.1	125.6	632.0

There is a remarkable degree of similarity in the pattern of increase in total deposits of each of the size groups for some of the banks in every group had small increases, some large increases, but most had increases ranging from 100 to 150 per cent. The important point is that all size groups of banks had closely similar patterns of increases in deposits, but for the small banks the pattern was set slightly higher than for the large banks. A large fraction amounting to 28 to 40 per cent of the banks in every size group, had deposit increases of 100 to 150 per cent. The similarity of the increase for each size group of banks is further accentuated by the fact that the deposits of many banks increased 50 to 100 per cent or 150 to 200 per cent. Three fourths of all banks in this district have had increases in deposits ranging from 50 to 200 per cent during the last four years. Of the remainder, some had widely scattered increases ranging from 200 to 632 per cent, and a very few had slight increases ranging from 10 to 50 per cent. While these figures are for total deposits, the increase in demand deposits follows the same pattern except that in general demand deposits have increased more rapidly than total deposits. The additional increase in demand deposits was usually greater for those banks with larger increases in total deposits.

State member banks ordinarily have had about the same or slightly greater increases in deposits than national banks of comparable size during the four years under review. The minimum increases for state member banks were larger than the minimum

for national banks of corresponding size, but the maximum increases were smaller for the former than for the latter group. Thus, deposits of both types of banks increased at about the same rate, but the increases for state banks were more closely alike than the increases of national banks.

Member banks in the western part of the Eleventh Federal Reserve District had larger percentage increases in deposits than banks in the eastern part. Member banks in four counties in the extreme western part of Texas had average increases in deposits exceeding 400 per cent. In five other counties in this western area, increases ranged from 300 to 400 per cent, whereas in only two other counties in Texas and one parish in Louisiana did deposits increase this much. Numerous counties throughout the district had increases in deposits ranging between 200 and 300 per cent, but more of these were in the western and Panhandle area than in the eastern portion of the district. The most typical county-wide increases in deposits for counties in the eastern half of the district were within the range of 100 to 200 per cent. Several isolated counties scattered throughout the district had comparatively small increases ranging from 25 to 100 per cent but in only one county was the increase less than 25 per cent.

If the locations of individual member banks are plotted on maps to show those which had selected rates of increases in total deposits, it can be seen that, in general, banks located in the western and northern areas have had greater percentage increases in deposits than those in the eastern and southern parts of the District. The net effect of these changes is a westward movement in bank deposits during the war period. If the distribution of deposits in member banks at the end of 1939 is taken as a starting point and intra-district shifts during the next four years studied, it appears that the movement in deposits may be divided into two fairly distinct periods. During 1940, deposits at member banks in scattered counties in the north coastal, north central, near western and Panhandle areas increased in relative importance as a fraction of the total deposits at all member banks in the District. The fraction of total deposits at member banks in many counties declined for deposits at member banks in numerous

counties did not increase as rapidly as the total and in a few counties the amount of deposits actually decreased in 1940. Deposits at banks in most counties in the central and western sections of Texas, northern part of Louisiana and southern New Mexico and Arizona did not increase as rapidly as the average. Banks in those areas which first received war contracts and army camps saw their deposits increase before those of banks in other areas.

In 1941, the westward shift in the relative distribution of bank deposits in this District was most marked. With few exceptions, deposits at banks in those counties in the Eleventh District east of an imaginary line from Vernon, at the Oklahoma border, to Brownsville at the southern tip, did not increase as rapidly as did deposits in those counties to the west. True enough, deposits at member banks in all counties increased during 1941, but in the western counties the increase was more rapid than in the eastern portion.

In 1942 the tendency of deposits at member banks in the western half of the District to increase more rapidly than deposits at banks in the eastern half stopped. Bank deposits in numerous eastern counties increased more rapidly than the average for the District. During 1943, deposits at member banks in all counties in Texas increased faster than the average for the District except for about a dozen counties centering around Baylor County, several counties near Dallas, and a few scattered throughout the state. Bank deposits in nearly all of the counties in the central and north-coastal sections as well as the Panhandle increased more rapidly than the over-all increase during 1943.

The net effect of the shifts in the location of deposits at member banks from the end of 1939 to 1943 is that banks in the Panhandle and western counties gained deposits faster than banks in the eastern counties of the District. Of course, the bulk of deposits in the District is still in the larger cities such as Houston, Dallas, San Antonio, Fort Worth, El Paso, Shreveport, Waco and Lubbock, but the fraction of total deposits in the District concentrated in these centers was not quite as great at the end of 1943 as it was at the end of 1939.

Transitional Price Control

ALBERT LAUTERBACH

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Which of the wartime conditions that have led to the establishment of price controls are likely to persist during the transition period? This is the decisive question in evaluating the immediate future of these controls when major military operations are over, regardless of the inevitable lag between victory in Europe and that in Asia.

As far as the distribution of national income is concerned, what is usually called the "inflationary gap" (dubious as this concept is) might conceivably be bridged before the war is completely over, though this is not too likely. It appears of greater importance, indeed, to scrutinize the production conditions underlying the need for price controls.

Full employment, more exactly an optimum quantitative utilization of manpower and plant resources, will probably still be in existence at the end of major military operations. Whether or not it will then cease owing to a sudden stoppage of war orders and disorderly reflux of soldiers, will largely depend on governmental policy, though there is virtual agreement on the necessity of avoiding sudden idleness of men and machines on a huge scale. Excess demand for civilian goods compared with their available quantities will, for a while, survive the end of military operations, with individual earnings and savings at a high level and the bulk of national production geared to non-civilian goods.

Military consumption will, however, be considerably reduced at once, even if occupation of foreign areas and the requirements of international security should necessitate the maintenance of substantial armed forces. Likewise, government expenditures are likely to decrease moderately as soon as major war operations cease. The danger of monopolistic price manipulations in case of an immediate relaxation of government controls will exceed the monopolistic threat before the war. For the organization of important industries and the pooling of their resources will have been fostered by the government under the impact of war

necessity; governmental anti-trust activities will have been frozen for a long time; and the disposition of over \$15 billion worth of government-owned war plants, in its final result, may increase the concentration of industrial power in the hands of leading corporations.

In the field of foreign trade both the demand for export goods and the supply of import products will increase comparatively soon after the end of the war. The need for immediate relief and rehabilitation in Europe and Asia, which will coincide with a shortage of transportation facilities, is likely to make the export demand the more important factor during the immediate transition period, although this trend may be reversed somewhat later.

Under these conditions, the general trend of prices during the period of transition will very probably continue to be rising, although the danger of actual runaway inflation should not be overstated. At any rate, the threat of an inflationary transition boom with subsequent slump will be far greater than after World War I, when the war participation of the United States was brief and required only a limited effort.

During the hearings on the price control act, the Office of Price Administration pointed out the following main causes for price increases: (1) Actual shortages, (2) Heavy forward purchases, (3) Hoarding, (4) Increased costs, (5) Profiteering.¹ Although this list may not be complete, points (1), (4) and (5) will probably remain valid during the transition period. The incentives for (2) and (3), however, are likely to decrease once the war is over, though prospective price increases might engender speculative buying.

At the same time, war and wartime controls will have wrought various structural changes upon industry. The end of war will witness areas of relative surplus (aluminum, steel, ship-building) as compared with fields of relative scarcity (housing, rural electrification, transportation equipment). Far reaching tech-

¹ Committee on Banking and Currency, *Hearings*, 77th Congress, 1st Session, H.R. 5479, Part I, 284, Washington, 1941.

nological changes, especially in the direction of standardization; a reduction in the number of competing firms due to scarcity of materials and to war adjustment; the effects of subcontracting; and the development of new products, will have resulted in changing the structure of many industries to a considerable extent. In certain lines, the wartime mortality of smaller firms will have been heavy, especially if a wider application of bulkline calculation should encourage the elimination of sub-marginal business units in a rather broad sense. On the other hand, many of the wartime methods of cost accounting and differential pricing will not be applicable to post-war conditions. Professor Sumner even questions whether the old "will to compete" will generally survive, and believes that the demand for governmental price protection, with minimum prices rather than price ceilings, will be widespread; and that even if economic controls in general should be reduced, a trend toward self-perpetuation of a modified price control might survive.²

Generally speaking, the problem of post-war price policy appears to be even more complex than that of wartime price control. While inflationary factors will at first continue to be active, certain industries will face a severe crisis due to the end of war orders, and may demand price protection. To put the war economy in reverse, and to force the general price level down either by administrative or by monetary measures, might easily encourage a trend toward depression. In particular, any attempt to bring the prices back to the pre-war level would be both hopeless and dangerous.

Price control started with selective techniques but subsequently turned to over-all ceilings. When the war is over, the sensible procedure will be to proceed gradually by relaxing control over specific prices when and if it is no longer required. For certain industries and products it will be sufficient to abolish control; for others the ceiling may have to be replaced by a floor, either through subsidies or through other protective techniques; and

² John D. Sumner, "The Effects of the War on Price Policies and Price Making," *American Economic Review*, Supplement, March, 1941; and "On Price Control After the War," *Postwar Economic Problems*, ed. Seymour E. Harris, New York, 1942.

in some industries price control will have to be maintained long after demobilization is over. Such a program is not easy to effectuate and would, of course, require very detailed elaboration, but appears to be the most promising method in order to avoid both inflationary and deflationary dislocations.

If we assume that the government will play an important part in reconstruction and economic readjustment, then its influence as large-scale customer upon price formation will continue even if the more direct controls should be relaxed. With the physical scarcity of important materials diminishing and productive resources returning to greater flexibility, this influence may relatively even grow in importance, provided competitive bidding by governmental agencies remains eliminated. It is true that the purchasing techniques to be applied — the choice between direct purchases, lump-sum orders, cost-plus contracts, and so forth — will in some degree determine the effectiveness of governmental influence upon the market, and, thereby, the need for administrative controls.

In a number of special fields sudden abolition of price control might cause particularly heavy dislocations. One of these fields is that of farm products, especially foodstuffs. The concept of "parity" has had its origin in politics rather than in economics, for no economic reason of real weight has yet been shown why a specific category of prices should permanently be based on averages of 1909-14, regardless of far reaching shifts in the general price level, productivity, national income, and so forth.

In the course of the war farm prices have in fact greatly exceeded the pre-World War I level. Practically, "parity" works out as a floor rather than the actual level of price formation. For the time being it would be undesirable to abolish the floor for farm prices, but for this very reason it will be equally advisable to retain their ceiling during the transition period. At that time food requirements, especially for exportation, will be enormous while the productive facilities will hardly exceed those available during the war. The wartime experience with farm prices and their contribution to the inflationary danger, especially prior to the stabilization order of October, 1942, is a sufficient lesson.

Wages and salaries account for a huge proportion of the national income. No stabilization policy can, therefore, be fully effective without including wage control. Popular discussion, it is true, has often confused a machinery for controlled adjustment with permanent freezing of all wages. The National War Labor Board, however, has indicated repeatedly that its stabilization policy is not identical with indiscriminate freezing of all existing rates. This distinction, incidentally, applies just as well to price control in general.

After the first World War, the movement of wages was not so hectic as that of prices, and during the slump after 1920 the real earnings of those employed increased. Few economists, however, will be inclined to leave the post-war development of wages to either chance or force, once price control during transition is regarded as indispensable. It would be a worthy object of discussion whether some equivalent of British wartime procedures in this field could not be adopted in this country. Under this system the British Trade-Union Congress and the Employers Confederation have concluded voluntary agreements and the government has usually confined itself to the enforcement and arbitration of such agreements. However, the lack of universally recognized organizations on both sides in the United States renders the prospect for similar methods here not too hopeful for the time being.

Wage control clearly cannot function adequately without control of rents, at least in congested industrial areas. The end of the war will witness a definite shortage of housing facilities in the majority of industrial centers, due both to industrial expansion and to the curtailment of residential construction during the war. It is true that a certain reflux of workers to rural areas may take place, but this will probably be more than equalized by the demobilization of soldiers, the reestablishment of many family households, and also higher aspirations of many tenants and the availability of assets accumulated during the war. The general problems of post-war rehousing would require a separate discussion, but the general situation described will certainly make a continuation of rent control during the immediate transition period advisable.

Finally, export prices have required special regulations during the war. In its seven-point "OPA Export Price Policy" of April, 1942, the Office of Price Administration endorsed the principle of differential prices, which were designed both to take into account specific costs of export and to avoid damage to the domestic supply; to leave sufficient export margins without encouraging speculation; and to give consideration to special risks and hardships. Whether a continuation of export price control along similar lines will be necessary after the war and how long, will largely depend on forthcoming decisions about lend-lease and relief policy. If the requirements for such policies continue on a huge scale during the transition period, as is likely to happen, then it will probably be necessary to retain price controls for remaining "free" exports, for instance to Latin America. Excessive differentials between domestic and export prices would inevitably endanger domestic price control. In general, however, exports appear to be a field where general price control may be confined to the period of immediate readjustment.

Can we expect a repetition of the events which followed World War I, when price control was dissolved very soon after the Armistice? Bernard M. Baruch, in his final report, said that the Armistice made the price control program "unnecessary"; and F. W. Taussig, in his classic article, pointed out that price fixing during the war was not uniform in its objects, and that there was not more than a gradual and tentative approach to any principle of action.³

Whether it was a wise policy to scrap price control so speedily has often been questioned. It is true that the wholesale price index at first declined from 206 in November, 1918, to 197 in February, 1919, but then a continuous rise to 247 in May, 1920, followed, with a subsequent heavy slump. Continuing heavy expenditures of the government from wartime commitments, a policy of easy money, and the discontinuance after the Armistice

³ Bernard M. Baruch, *American Industry in the War*, New York, 1941, p. 84. F. W. Taussig, "Price Fixing as Seen by a Price Fixer," *Quarterly Journal of Economics*, Vol. 33, No. 2, 1919. See also Charles O. Hardy, *Wartime Control of Prices*, Washington, 1940, and George P. Adams, *Wartime Price Control*, Washington, 1942.

of centralized buying by the United States Government, its Allies, the railroads and similar agencies, contributed to these price fluctuations.

Writing about the aftermath of the first World War, J. M. Clark says, "It remains a doubtful question whether the retention of a larger amount of public supervision would have brought about a more desirable result. It might have been possible to prevent the great increase in prices which attended the removal of war-time controls, and which undoubtedly intensified the post-war boom. This might have made the revival both slower and smoother; at the price of postponing the time when industry would stand fully on its own feet." He adds that the rise in prices following the termination of controls "regularly induces a superstructure of secondary or speculative demand on top of a primary demand for goods for use." The reaction came in the form of the 1921 depression: "After the release of war-time controls over prices and of restrictions of nonessential production, prices rose even higher than during the war, and this helped stimulate a boom which was destined to collapse." The situation was aggravated when artificial support of agricultural prices came to an end and the farmers were exposed to an unfavorable price relation.⁴

F. C. Mills finds that price fluctuations during the slump in 1920 and 1921 far exceeded those during the pre-war depressions, with the value of the monthly index of dispersion fluctuating between 4.5 and 8, compared with 3 to 5 during the liquidation and depression of 1907/08. In other words, economic changes after the hasty release of controls were spasmodic compared with earlier cyclical movements.⁵

If this was true of the aftermath of World War I, then it may easily apply in an even greater degree to the aftermath of World War II. An immediate and indiscriminate release of all price controls would invite severe economic dislocations. In fact even those who believe that the policy of immediate de-control was

⁴ John M. Clark, *The Costs of the World War to the American People*, New Haven, 1931, pp. 53 ff. and 170.

⁵ F. C. Mills, *The Behavior of Prices*, New York, 1927, pp. 273ff.

justified after World War I, need not necessarily assume that conditions after World War II will encourage or permit a repetition of this policy.

It is true that the effect of post-war measures will to some extent depend on the success of price control during the war itself. As Gerhard Colm points out, "It is desirable to maintain prices during the war at a level that can be approximately sustained in the post-war period"; a lower price level would increase the burden of internal debt. A. R. Upgren adds, "We can all perceive (even if we can reasonably well control our price level during the war) the threat to prices after the war, should the controls then quickly be terminated. At such time, when incomes and buying power are still extremely high and supplies of available goods extremely short, we should not let prices get out of hand by freeing them too quickly. In fact, we suggest that the maintenance of price controls . . . will be in the interest of business in the first few years after the war."⁶

It is a separate problem whether transitional controls need necessarily be administered by the old wartime agencies, or whether special new boards should not supersede these old agencies. In particular, it is not unlikely that renegotiation of prices paid on government orders, which has begun even while the war is on, will be greatly extended after the war is over, and that such a revision will in itself involve a very considerable influence of the government upon the general price level. Post-war inflation would obviously make renegotiation hopeless from the fiscal point of view. This appears to be an additional reason for continuation of price control until the financial heritage of the war is settled.

On the other hand, it is increasingly recognized that no technique of price control, however elaborate, can promise success unless there is a psychological disposition of the population to accept and encourage it. Jules Backman points out that while some control will undoubtedly be required in the immediate post-war period, "provisions should be made for the termination of

⁶ Gerhard Colm, "Washington Fiscal Policy: Its War and Postwar Aims," *Fortune*, October, 1942. A. R. Upgren, "Business in the Postwar Period: Its Prospects and Problems," *Domestic Commerce*, July 9, 1942.

such control at the earliest possible moment . . . the voluntary cooperation of a nation united in war soon disappears and evasion tends to become more frequent." Similarly, J. M. Clark emphasizes that no mechanism of price control can work well unless based on "a widespread and determined will to make price control work, despite all difficulties, imperfections and minor inequities."⁷

This is the real crux of the problem. No economic reasoning for continuance of price control, and no specific technique of its administration, will assure effectiveness unless the majority of the population agrees and co-operates. In particular, price control is untenable if the average consumer does not consider it necessary. In a mimeographed sheet issued by the OPA on "Consumer Participation to Make the General Ceiling Work", the role of the consumer in relation to the price ceiling is likened to that of the man who plays the cymbal: alert, but certain not to come in at the wrong time, which assumes that he must know the whole piece. This is, incidentally, just as true of the retailer, for instance, whose co-operation is equally essential. Part of the more exact calculation and records which are one result of price control for the retail merchant, will probably be found useful for his own business and will be continued voluntarily; it can increase permanently our knowledge of market trends.

At the same time, wartime subsidies designed to support price control will considerably complicate post-war readjustment. In particular, where retail or freight subsidies exist, a restoration of the price mechanism has to start at the wholesale level. A simultaneous reduction of prices on all levels could be expected only in the absence of any appreciable subsidies, whatever the war-time merits of such subsidies may be.

In summary, during the period of transition price control could be abandoned only at the serious risk of inflation. At the same time, a decision to continue price fixing as an isolated measure while disbanding all other controls would be futile. Pressure in favor of just such a course is not unlikely to develop. "In peace-

⁷ Jules Backman, *Wartime Price Control*, New York, 1940, p. 50. John M. Clark, "Problems of Price Control," *Proceedings of the Academy of Political Science*, May, 1942, p. 21.

time there may be a conflict between the government's desire to prevent inflation and the desire of the business world for freely available credit Permanent peacetime control can only operate as part of a system of more fundamental economic and political controls".⁸

We have not here discussed the problem of more permanent controls and their political implications, but have confined ourselves to transitional problems. However, some of the conclusions are similar. Generally speaking, it will be advisable to continue at first the over-all ceiling into the period of demobilization, then to abolish gradually certain price controls on the selective principle, and to combine techniques of maximum and minimum prices in such a way as to prevent hectic fluctuations between boom and slump. Not until reasonable guarantees of effective control of cyclical movements, and the definite prospect of a functioning mechanism of unrestricted prices, are given—and it is outside the scope of this study to investigate whether and when such guarantees are likely to come into existence—should price controls be completely abolished, even though their specific extent, direction and administration need not necessarily remain in line with the wartime policies.

⁸ Herbert Stein, *Government Price Policy in the United States During the World War*, Williamstown, 1939, pp. 125ff.

Current Developments in Kentucky State Budgeting

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THE BACKGROUND

Under 1934 legislation, implemented by the Reorganization Act of 1936, the Commonwealth of Kentucky made legal provision for modern budget practices. As early as 1939 the Governor of the Commonwealth was able to report that:

"At the close of 1935 Kentucky owed over twenty-eight million dollars. *Three-fourths of the state debt has been paid during the last four years . . .*

"Of the more than twenty-eight-million-dollar-debt—mainly representing the accumulated deficits of about thirty years—more than twenty-five million was in state warrants bearing 5 per cent interest. Now the state owes only a little more than six million dollars of the warrant debt. About half of this bears 1.5 per cent interest and the remainder 3 per cent—a considerable annual interest-saving to the taxpayers."¹

This record was obtained in large part by gubernatorial control over the finances through the effective use of the budget machinery. This control was exercised through careful planning in advance of each fiscal period, through effective leadership in budget legislation, and through active administrative management designed to secure the expenditure of as little as possible consistent with carrying out the service program. Brief comment on each of these phases may be desirable.

The law provides the Governor with a staff for the development of his carefully reasoned estimates of the necessary expenditures, of tax revenues, and of debt carrying charges. Aside from the inadequacies of the budget staff, all of the authorized budgetary resources have been exploited with considerable effectiveness since 1936. In addition, Governor Chandler (1935-1939) and Governor Johnson (1939-1943) developed an extralegal procedure which has made for better budgeting practice. The Governor asked the Legislative Council preceding the 1938, 1940, and 1942 legislative sessions to advise him with respect to the estimates and the policies which ought to be reflected in the executive budget. In the language of Governor Johnson, "the budget-making

¹ A. B. Chandler (governor of Kentucky), *Kentucky Government 1935-1939*, p. 10. The italics are in the original.

process is no longer a star-chamber proceeding. Essential facts are placed before the Legislative Council, the General Assembly's own instrument for advance planning; and for the most part the Governor submits recommendations which the Council, acting in a purely advisory capacity, suggests."² In this same connection, too, the Kentucky budget document undertakes to present a complete plan for the finances of the ensuing two years. As Governor Johnson says, "It includes revenue and expenditure plans. It provides, if necessary, for debts; and it carefully explains the status and prospects of the treasury."³

Reference of the Governor's budget planning problems to the Legislative Council not only results in improved plans, but it paves the way for more favorable consideration in the General Assembly, since key members of both parties constitute the Legislative Council. Also, the Governor has accorded particular care to the preparation of the budget message, which has characteristically been delivered in person. Subsequently, through executive leadership, the budget proposals of the three bienniums referred to have been almost unanimously adopted exactly as submitted by the Governor.

Execution of the Kentucky budget has been rendered feasible by adequacy in legislation, by completeness and appropriateness of accounting and pre-auditing installation and management, and by careful attention from both the Commissioner of Finance (the state's budget director) and the Governor. Budget policies have been aided, too, by centralized purchasing and by other auxiliary proceedings. The Department of Finance, under the Governor's direction, exercises current direct control largely through allotments, which are legally necessary in order to make appropriations available for expenditure, implemented by careful accounting for the obligations incurred as well as for the disbursements actually made. During the four years of Governor Johnson's administration, appropriations were actually underspent by an average of \$1,600,000 a year for general fund purposes.⁴

² Keen Johnson (governor of Kentucky), *Kentucky Government 1939-1943*, p. 54.

³ *Loc. cit.* The italics are in the original.

⁴ *Ibid.*, 52. The total general fund expenditures have ranged up to about \$30 million annually.

It is not exaggerating to say that budgetary progress between 1934 and 1944 has been exceptional.

RECENT CHANGES

As a reaction against "dictation" by the Governor's office, the chief executive elected in 1943 adopted a new policy. In late 1943, just prior to the 1944 session of the General Assembly, the terms of the Governor's reference of departmental budget proposals to the Legislative Council appeared to imply that the Governor expected the Council to *prepare* the financial plan rather than merely to advise him. As already indicated, the Council has no legal responsibility in this connection, as the law fixes such duty clearly in the Governor's office. It is not surprising, therefore, that the Council failed to complete its consideration of budget problems.

Subsequent to the beginning of the legislative session, the Governor completed and submitted budget proposals. For the first time since 1934 the Governor's recommendations contemplated a current deficit. Moreover, the budget document itself was not available to members of the General Assembly until about the middle of the session. Also, the Governor, long after delivery of his budget message, modified his recommendations materially, saying frankly that he had not had time originally to plan fully the distribution of expenditures. The legislatures of 1938, 1940, and 1942 had enacted the general appropriation measures with substantial unanimity very early in the legislative session; but it was not until near the end of the 1944 session that the General Assembly began consideration of the General Appropriation Bill, the only measure deemed essential to the effectuation of the budget. The House in the 1944 General Assembly approved the bill and the Senate amended it to provide, among other things, that the expenditures of the biennium must be kept within the income. Such a provision had been incorporated in one form or another in the four preceding biennial appropriation bills. When the Senate's version of the bill reached the House of Representatives, the Governor's partisans prevented its passage. Despite a strong appeal from the Chief Executive asking relief, the Legis-

lature adjourned without enacting a general appropriation bill.⁵

Under the law the Kentucky appropriations of the preceding year for current purposes are renewed for a succeeding year in the event the General Assembly takes no action. Therefore, after adjournment of the regular session of 1944 the Governor had two alternatives. The state could revert to the budget provisions for fiscal 1944, except that all appropriations earmarked for capital outlay would be ineffective for the ensuing biennium; or the Governor could call the General Assembly into extraordinary session for a further consideration of budget problems. Shortly after adjournment the Governor announced that he would convene a special session for consideration of added appropriations for educational purposes, for which he had recommended more than a \$3 million increase annually, but would not include in his call provision for the consideration of other budgetary problems.

After most school contracts for 1944-45 had been made, the Governor convened the promised extraordinary session for the sole purpose of considering additional appropriations for education (not including the institutions of higher learning). After much delay and disagreement between the General Assembly and the Governor, the Legislature, largely in consequence of sustained negotiations between the Democratic and Republican floor leaders of the Senate, unanimously enacted a comprehensive appropriation measure providing in the aggregate a great deal more money than any previous administration had enjoyed, and, aside from certain technical restrictions affecting the state's cash position,

⁵ One measure enacted by the General Assembly involves far reaching budgetary consequences. It provides for a general referendum on a constitutional amendment that would prevent the use of gasoline and motor registration taxes for any but road purposes. This proposition represents an element of budgetary inflexibility distinctly contrary to the spirit of the 1934 and 1936 legislation. Other bills having incidental budgetary significance provide a considerable measure of disintegration in the organization of state government as compared with the relatively coherent governmental machinery set up under the Reorganization Act of 1936. For example, alcohol administration was placed under an independent agency; fishing and hunting regulation was given separate status; and a new agency was created for utility supervision—all in contrast with the close integration of related activities which had obtained previously. (Cf. feature article by Allen Trout opposite the editorial page of the *Courier-Journal*, March 19, 1944.)

made the appropriations available on more than usually favorable terms. In other words, members of the General Assembly were willing to risk having the appropriation measure declared unconstitutional as involving subject matter outside the scope of the Governor's call rather than pass a bill providing exclusively for elementary and secondary education.

In view of the Legislature's action without any opposition in either house, the Governor immediately convened a second special session, which in four days enacted an identical bill except for a provision repealing the previously enacted one. By thus re-enacting the General Appropriation Bill, the Governor and the legislative leaders sought to avoid any possibility that the appropriation might be declared unconstitutional on the ground that the General Assembly's action went beyond the scope of the Governor's call. Final action was unanimous in the Senate and opposed by only one member of the House.

Kentuckians interested in sound budget practice and accustomed for some years to see the general appropriation bill passed under executive leadership early in the regular session are much concerned. Although there is a marked increase in the amount of money appropriated, there is little or no opposition to the appropriations actually made. There are, however, misgivings regarding the method by which the action has been taken in that, in a fundamental sense, provision for the support of governmental activities has been enacted in the face of gubernatorial opposition.

Tenure of Elective County Officials in Texas 1931-1944

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One of the important subjects to which little attention has been devoted is the length of time the elective county officials spend in office. In order to obtain some information on this subject, a study was made for the period 1931-1944 inclusive. In making this study, information was obtained entirely from official directories prepared by the County Judges and Commissioners' Association, the Texas Almanac, and various printing and stationery companies.

The study includes all elective county officials with the exception of the justices of the peace and the constables.

Occasionally the directories failed to provide the name of the person elected to a particular office and in order to make the figures more accurate such an office was omitted for the year in question. As it worked out, the directories were 97% complete.

A difficulty was also occasioned by the fact that the same official might be reported by his full name one year, by his initials alone the second year, and by one initial the third year. Under these circumstances absolute accuracy could not be expected, but all possible care was exercised in tabulating the information.

In the case of counties in which the Criminal District Attorney served as County Attorney for a portion of the time, this official's name was used as the County Attorney. Similar cases were handled in a similar manner.

A further limitation is that no account has been taken of those who died while in office or resigned before completing the term for which they were elected. In other words, it is assumed that each person served out the term to which he or she was elected.

THE NUMBER OF OFFICIALS

During the fourteen-year period, 8,417 persons were elected to the 19 county offices covered. These data are shown in Table 1.

A study of Table 1 indicates that for the state as a whole,

the largest number of officials served for a term of four years, and the next largest number served two years. At the same time, it should be noticed that 38 per cent of the officials served for terms of six years or more. In fact, the two term, or four-year, tradition was not applied in all cases in any county in the state, although a few approached it rather closely. At the other end of the scale, is it not uncommon to find that several officials served as long as fourteen years in particular counties.¹

TABLE 1. NUMBER OF YEARS SERVED BY ELECTIVE OFFICIALS IN TEXAS COUNTIES, 1931-1944

Number of Years Served	Officials Serving	Percent of Total
14	337	4
12	258	3
10	487	6
8	733	9
6	1258	16
4	2751	32
2	2593	30
Total Number	8417	100

TABLE 1.

NON-CONSECUTIVE TERMS IN THE SAME OFFICE

In deriving the figures shown in Table 1, officials serving more than one term separated by an interval during which they were out of office, were counted only once. The number of officials

¹ If the history of those in office at the beginning of the fourteen-year period could be examined, it would be found that a good many officials have served longer than fourteen years. For example, here is an Associated Press dispatch regarding Rockport (Aransas County) and Longview (Gregg County), Texas. "In Rockport, County Treasurer David Rockport Scrivner, 82 years old, was started on his 43rd consecutive year in the office. Scrivner was the first white child born in Rockport and bears the town's name. Sheriff J. A. Brundett was elected to begin his 23rd straight year as chief police officer of the county. In Longview, Dush Shaw was elected county clerk for the 22nd consecutive time. He won every box."—From *Bryan Daily Eagle*, August 16, 1940.

Similarly your attention is called to this item which appeared in the *Bryan Daily Eagle* under date of October 9, 1943. "Funeral Services were held Friday for Judge Albert Regan, 81, who died at his home in Centerville Thursday. He had served for more than 40 years as County Judge, County Attorney and in other Leon County political offices."

affected in all counties was 302. This number was distributed among 16 of the 19 offices as shown in Table 2.

TABLE 2. NUMBER OF COUNTY OFFICERS WHO SERVED NON-CONSECUTIVE TERMS, 1931-1944

Office	Number
Surveyor	45
County Attorney	40
Commissioner, Precinct 2	37
Commissioner, Precinct 1	36
Commissioner, Precinct 3	34
Commissioner, Precinct 4	33
Sheriff	16
District Clerk	15
Judge-Superintendent	13
County Judge	12
County Treasurer	7
County-District Clerk	4
County Superintendent	3
County Clerk	3
Sheriff-Assessor-Collector	3
Assessor-Collector	1
Total	302

The offices in which no non-consecutive terms were served included the Assessor, the Collector, and the Sheriff-Collector. In each case, it would have been impossible for anyone to serve a non-consecutive term because the offices were abolished at the end of 1934—or four years after the beginning of the period covered by this study. In each office in which it was possible, at least one non-consecutive term was served during the fourteen-year period.

SERVICE IN MORE THAN ONE OFFICE

In calculating the total number of officials elected, each person was counted once regardless of the number of offices held in the same county. The number of officials who served in one office as compared with the number who served in two or more offices is shown in Table 3.

TABLE 3. SERVICE IN TWO OR MORE OFFICES DURING THE PERIOD, 1931-1944

Number of Years Served	Number of Officials		
	In one office	In two or more offices	Total Number
14	272	65	337
12	186	72	258
10	420	67	487
8	640	93	733
6	1143	115	1258
4	2684	67	2751
2	2593	0	2593
Total Number	7938	479	8417
Percent	94	6	100
Average Tenure (years)	4.8	8.6	5.02

In 479 cases found in 240 counties, officials served in two or more elective offices during the period. Of the 479 officials, 11 served in 3 offices and 468 served in two offices. The average number of years served by those holding only one office was 4.8 while the average served by those holding two offices was 8.6, and the average for all officials was 5.02 years.

A study of the one office column, as contrasted with the two office column in Table 3, brings out an interesting observation. In the case of those serving in a single office, the number steadily declines as the number of years of service increases, but in the case of those serving in two or more offices, no such relationship appears to exist. In fact, the number serving the various periods of time vary relatively little.

The possibility of serving in another office seems to depend somewhat upon the particular office held. An examination of Table 4 will make the situation apparent.

TABLE 4. PERCENTAGE OF OFFICIALS ELECTED TO EACH OFFICE AND HAVING EXPERIENCE IN ANOTHER OFFICE DURING THE 14-YEAR PERIOD, 1931-1944

Office	Percentage	Office	Percentage
Sheriff-Collector**	61.0	Commissioner, Precinct 3	4.7
Sheriff-Assessor-Collector*	55.1	District Clerk	4.4
Assessor-Collector*	47.6	Commissioner, Precinct 1	3.9
Collector**	40.9	Commissioner, Precinct 2	3.8
Assessor**	29.4	Sheriff	3.7
County Judge	19.6	Commissioner, Precinct 4	3.0
County Judge-Superintendent	16.1	County Superintendent	1.8
County-District Clerk	10.3	County Treasurer	1.8
County Clerk	7.4	County Surveyor	1.8
County Attorney	6.9		

* In existence since January 1, 1935.

** Abolished as of January 1, 1935 when Constitutional amendment combining Assessor and Collector in one office became effective.

Apparently the persons serving as Assessor-Collector have the best chance of serving in another office, as the percentage column in Table 4 clearly demonstrates. Of the offices having no direct connection with assessing or collecting, the County Judge seems more apt than other officers to have experience in two offices. Thus, approximately one out of five County Judges also served in another office sometime during the 14-year period.

AVERAGE LENGTH OF SERVICE CLASSIFIED BY OFFICES

In order to show the variation in the years served in different offices a tabulation was made of the total number of persons that could have been elected during the fourteen year period as compared with the actual number elected. From this comparison, the average number of years served by officials in each office was computed. In Table 5, these data are shown for each office.

TABLE 5. AVERAGE NUMBER OF YEARS SERVED BY OFFICIALS IN EACH OFFICE, 1931-1944

Official	Average No. of Yrs. Served	Official	Average No. of Yrs. Served
County-District Clerk	6.2	Commissioner, Precinct 3	4.8
Surveyor	5.7	Commissioner, Precinct 4	4.7
County Superintendent	5.5	Sheriff	4.7
County Clerk	5.2	County Judge	4.5
Judge-Superintendent	5.2	Commissioner, Precinct 1	4.5
District Clerk	5.1	County Attorney	4.2
County Treasurer	5.1	Sheriff-Collector	3.2
Sheriff-Assessor-Collector	5.0	Assessor	3.1
Commissioner, Precinct 2	4.9	Collector	3.1
Assessor-Collector	4.8		

Average all Officials in
all Offices 5.02

The County-District Clerk heads this list because officials in this office served the longest terms found during the period. At the other end of the scale, the Collectors served the shortest number of years. Here again the change in office structure required by law affects the result. Thus the office of Collector did not exist except during the period 1931-1934 inclusive and officials could not have served longer than four years in this office. The same thing is true of the office of Assessor and the office of Sheriff-Collector.

WOMEN AS COUNTY OFFICIALS

Of the 8,417 officials, 671 were women. It is probably true that this number is understated, because in cases of similarity in

names persons were assumed to be men. At the same time, it is true that women who were reelected following marriage were counted as two officials since the directories did not reveal these circumstances.

The 671 women served in 15 of the 19 offices in 222 of the counties. The average tenure of women in all offices was 4.8 years. These data are shown in more detail in Table 6.

TABLE 6. NUMBER OF WOMEN ELECTED TO COUNTY OFFICES IN TEXAS AND LENGTH OF SERVICE, 14-YEAR PERIOD, 1931-1944

Office	Number of Women Officials	Total Years Served	Average Years Served
Treasurer	340	1712	5.0
County Superintendent	83	420	5.0
District Clerk	81	424	5.2
County Clerk	75	312	4.2
County-District Clerk	30	136	4.5
Collector	19	58	3.1
Assessor-Collector	13	54	4.1
Assessor	12	34	2.8
County Attorney	5	20	4.0
Commissioner, Precinct 1	3	10	3.3
Commissioner, Precinct 3	3	6	2.0
Commissioner, Precinct 4	3	6	2.0
Sheriff-Assessor-Collector	2	6	3.0
Commissioner, Precinct 2	1	2	2.0
Surveyor	1	2	2.0
Totals	671	3204	4.8

The four offices to which women were not elected include the County Judge; County Judge-ex officio Superintendent of Schools; Sheriff; and Sheriff-Tax Collector. As shown in Table 6, slightly more than one-half of the women office-holders served as County Treasurer. The next largest number served as County Superintendent, District Clerk or County Clerk, in that order.

Some Aspects of International Labor Relations Between the United States and Mexico 1924-1940

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In 1924 the convention of the American Federation of Labor met in El Paso and across the Rio Grande River at Juarez, Mexico the *Confederacion Regional Obrera Mexicana* was also meeting in its annual convention. The brotherly attitude of the two organizations was evidenced by exchange of visits, waving of flags, and by speeches in which each group excessively praised the other. Just a few days after the close of these conventions, the Fourth Pan-American Federation of Labor Conference was held in Mexico City, December 3-9, where Samuel Gompers, as a guest of honor, attended the inauguration of President Plutarco Elias Calles. He also presided as chairman of the Pan-American Labor meeting which proved to be his last public appearance and his farewell to both Mexican and American Labor movements. He died a few days later — December 13, 1924 — in the city of San Antonio. Gomper's passing was both dramatic and significant.

He was stricken down while at the capital of the neighboring republic where he had gone to share in an epochal constitutional event and where he was to preside over the sessions of the international organization through which the principles of trade unionism are extended throughout the American continents. His creative vision had enabled him to guide in the development of a trade union movement adapted to American conditions and needs, to help in the adoption of its fundamentals to meet the needs of a Latin-American nation and to extend the same principles to service as wide as the vision of humanitarianism that impels men to strive for developing the channels of fellowship between men of all of the nations.¹

Gomper's death was significant in that it marked the beginning of a decline in cooperation of the Mexican-American labor movements. However important the passing of Gompers might have been, the underlying meaning of the cooperative efforts of the Mexican and American Labor movements was to be found in the activity of the two groups in 1924 and succeeding years in the realm of international affairs. Both groups realized that the

¹ *Report of Proceedings of the Forty-Fourth Annual Convention of the American Federation of Labor*, 1925, p. 228.

labor movement was to become increasingly international in scope. Gompers and some of the other leaders had realized that Mexican labor had not yet identified itself with either the radical or conservative international movements but that such an identification was an early possibility. In giving recognition to such a possibility it was stated:

Still another element enters into the situation. The organized labor movements of Latin America will somewhere find affiliation with an international movement. If they can not find it with the Pan-American Federation of Labor, supported by the American Federation of Labor, they will seek and find it elsewhere and we shall have in all Latin America the threat of European domination—a threat which constantly looms on the horizon and which has thus far been held ineffective because of the friendship, influence and fraternal relations which the American Federation of Labor offers.

The agents of radical and revolutionary European organizations have been and are at work seeking to destroy among Latin American workers their confidence in the American Federation of Labor and its constructive, democratic principles and policies. They have made little if any headway, but if the American Federation of Labor were to withdraw, or even to diminish its interest and activity they would find a fertile field. The result of domination of European radical and revolutionary philosophies among the labor movements of Latin America can only be imagined, but that it would be disastrous must be conceded.

In continuing our helpfulness in this direction we are holding the line for democracy throughout the New World and it is no sense exaggerating to say that the effect of this great effort on future world history will be tremendous.²

Gompers was motivated by three things in supporting the Pan-American Labor movement: first, a desire to use the movement as an agency of peace in the Western Hemisphere; second, to prevent the Mexican labor movement from being dominated by the radicals of Europe; and third, to build a Latin-American labor movement after the A. F. of L. pattern. He was fully supported at the convention in Mexico City by all the delegates and he undoubtedly spoke for the Convention when he appeared before the delegates and said:

We are still in the infancy of the movement of the organized workers, or to organize workers of the Pan-American countries. When in any one of these countries, if we can help them to plant the seed of organization and

² *Report of the Proceedings of the Forty-Fourth Annual Convention of the American Federation of Labor, 1924, p. 88. See also Roland H. Harvey, Samuel Gompers, Champion of the Toiling Masses, Stanford University Press, Stanford University, 1935, 316-328.*

bring about a feeling and a consciousness among the working people of these countries that they must strive and struggle, and if necessary sacrifice, to organize, we are doing a duty to ourselves as well as to them. It is not necessary for the Mexican Federation of Labor and the American Federation of Labor to pledge to each other assistance, unity and brotherhood; that pledge has been given long ago. That pledge is now more firmly established than at any other time in the history of our movement.³

In reply to that statement, Louis N. Morones, Minister of Industry, said:

That the American Federation of Labor, the Mexican Federation of Labor and the Central and South American Trade Union movements affiliated with the Pan-American Federation of Labor will continue their efforts to organize and coordinate the labor forces of the Western Hemisphere, while the eternal critics and demagogues, who would solve the problems of humanity with their theoretical, spell binding orations, continue to insult and to criticize us, instead of cooperating in some way to the realization of our program . . . This plague of men is found in all countries, and as a rule they cover themselves with the mask of hypocrisy, and style themselves radicals to deceive working people; but with regards to our own trade union movement in Mexico we are determined to defend its integrity and personality with the utmost energy, and without paying attention to the ridiculous performances of the gentry I am referring to.⁴

In support of these two statements from Gompers and Morones the Conference adopted a resolution which read in part as follows:

WHEREAS, the Pan-American Federation of Labor was organized for the purpose of establishing liberty and justice for those who toil in industry, and to cement the bonds of fraternity which should unite the trade union movements of the Western Hemisphere, and as the experience of the organizations composing this Federation has taught their respective members that the application of certain principles and policies is essential both to their welfare and that of this Federation.⁵

In the resolution following this statement of purpose, it was declared that men are not and cannot be freed through the operation of political institutions only but that the Trade Union movement is necessary for the purpose of establishing industrial freedom which "enables men and women of labor to overcome and destroy tyranny in industry and establish in its place liberty, justice, equality, and fair dealings between all those who participate in the production of wealth." It stated further that:

We regard as essential the extension of democracy in industry. We declare our unalterable opposition to interference in the problems of industry by

³ *Report of Proceedings of the Forty-Fifth Annual Convention of the American Federation of Labor*, 1925, p. 222; see also Louis S. Reed, *The Labor Philosophy of Samuel Gompers*, Columbia University Press, New York, 1930, pp. 172ff.

⁴ *Report of Proceedings of the Forty-Fifth Annual Convention of the American Federation of Labor*, 1925, p. 222.

⁵ *Report of Proceedings of the Forty-Fifth Annual Convention of the American Federation of Labor*, 1925, p. 223.

forces outside of the industrial field and therefore incompetent to deal with its problems. We urge upon the labor movement everywhere the extension of the practice of negotiation between the workers and employers, and the entering into of collective agreements regulating the terms of employment. We hold this to be fundamental in the development of democracy in industry. We hold that in no other way can such democracy be established and developed. . . . Those from other countries who have endeavored to force their policies, programs, and principles upon us have worked greater injury than the most powerful combinations of anti-trade union employers in their efforts to rouse suspicion and division. Hiding behind the hypocritical mask of friendly interest they have striven to divide and discourage. To establish doctrinaire policies they have sought to destroy the trade union movement. They have sought to destroy institutions which they lacked and the constructive ability to create.

In defense of our rights, in defense of the trade union movement which we have established, we pledge ourselves severally and jointly to resist with all of the vigor and the resources at our command any and every attempt on the part of some other labor movement to interfere openly or covertly with our affiliated organizations, or attempt to dictate or determine the policies which shall govern us.

We now declare that it is essential to the success of this Pan-American Federation of Labor that its policies and programs should be established only through mutual agreement.⁶

In addition to this resolution, other subjects were acted upon by the Conference: One statement expressed opposition to secret treaties between American governments; another pledged full support to Mexico and insisted upon the right of the Mexican government to initiate and determine its own labor program without interference from outside governments, a third urged all Pan-American countries to attach representatives of the organized workers to their Consular Services; and, finally, the Conference pledged its support and aid to "every genuine labor effort made to dethrone tyranny and to destroy dynastic or group privileges in the American governments."⁷

Following this meeting in Mexico City and the death of Samuel Gompers in San Antonio; it became necessary for the officers of the Pan-American Federation to reorganize their plans for future meetings. Accordingly, a meeting was held in the American Federation of Labor building in Washington, D. C., February 20, 1925, in which representatives from the United States, Santo Domingo, Cuba, Venezuela, and Puerto Rico were present. William

⁶ *Report of Proceedings of the Forty-Fifth Annual Convention of the American Federation of Labor, 1925, p. 224.*

⁷ *Report of Proceedings of the Forty-Fifth Annual Convention of the American Federation of Labor, 1925, pp. 224-225.*

Green, who had succeeded Gompers as President of the American Federation of Labor, was elected chairman and was installed at a later meeting held on February 23, 1925. Canuto Vargas, secretary of the Pan-American Federation of Labor, resigned and Santiago Iglesias, president of the Puerto Rican Federation of Labor, was elected to succeed him.⁶

Six months later, on August 27, the Executive Committee of the Pan-American labor group met in Washington to discuss labor immigration, a problem which had already developed serious consequences between the American and Mexican Federations of Labor. The C. R. O. M. and the A. F. of L. had never been able to arrive at an agreement acceptable to both groups. In 1919 the action of the A. F. of L. in voting to recommend to the United States Congress the restriction of immigration of laborers from Mexico created an adverse attitude on the part of the C. R. O. M. In 1924, the A. F. of L. protested a provision in the immigration laws passed by the United States Congress which left Mexican labor outside of the restrictions applied to labor from the European countries, and, again, trouble developed between the two labor groups. The matter was referred to a committee for further consideration and the meeting in Washington was called for this purpose.

The Conference continued through two days and finally adopted a resolution recommending the following general policy:

Time and experience have demonstrated that the progress of mankind, ethically, spiritually and economically, is best achieved under the great principles of freedom, democracy and the right to life, liberty and the pursuit of happiness.

History shows the constant tendency of man to congregate in groups and the beneficent results of such groupings are clearly discernible throughout the ages. Groups everywhere strive to create their own cultures, to cultivate their own lands, to create their own institutions and establish their own customs. Always they seek means of protecting their group integrity and the integrity of their boundaries.

We hold that the ultimate condition of mankind should be such that all men should enjoy the greatest possible right to travel freely to every part of the world in pursuit of happiness and well-being. But we assert that there is an obligation, universal in character, which makes it obligatory upon every person to refrain from so ordering his movements or his conduct as to endanger the standards and conditions of life and the progress achieved on the part of any group which he may seek to enter. And groups have the right

⁶ *Loc. Cit.*, 84-85.

to protect themselves against such intrusion.

There is, we maintain, a further obligation upon every individual which makes it a duty to work within his own group for the safeguarding of the standards and conditions built up elsewhere; and instead of seeking improvement elsewhere at the expense of others it is his duty to work for improvement within his own group. The duty of his group is but an enlargement of his individual duty, identical in principle. Nationhood is but another term for group.⁹

The resolution further stated that:

While we recognize clearly that at all times each nation must be the final judge of what constitutes a menace to its standards and its institutions, we are confident that the labor movements of our two nations, working in cooperation and with a common ideal in mind, can arrive at conclusions and agree upon measures that will meet the requirements of the time. Human progress is always safeguarded by agreement and cooperation and we believe this field is a proper one for the exercise of those qualities.

We appreciate fully the instructions which impose upon us the duty to prepare specific recommendations as a basis for legislative or executive action on the part of our respective nations. We are, however, of the opinion that definite recommendations can not be set forth at this time. There are various reasons for this, chief among them being our lack of sufficient detailed information.¹⁰

At the meeting of the Pan-American Federation in Washington in 1927 a greater number of delegates were present than had attended any other meeting. The group, however, was divided on many issues and the delegates did not always represent the labor movements of the countries from which they came. Then, too, the imperialistic policy of the United States was already creating fear and suspicion in Latin American minds. Consequently, not much was done and the really constructive effort of the Pan-American Labor Union ceased.¹¹

Even under the matchless leadership of Gompers, the Pan-American Federation of Labor was never a success, and after his death it rapidly declined. One writer explained this decline by stating that some of the Catholic members of the A. F. of L. believed that the C. R. O. M. was the main support of the Calles

⁹ *Loc. Cit.*, 86-87; Reed, *Op. Cit.*, 148-50.

¹⁰ *Loc. cit.*, 87; see also Paul Scharrenberg, "America's Immigration Problems," *American Federationist*, Vol. 34, No. 3, March, 1927, p. 305.

¹¹ Marjorie Ruth Clark, *Organized Labor in Mexico*, Chapel Hill, 1934, pp. 282-285; Lewis L. Lorwin, *Labor and Internationalism*, New York, 1929, pp. 373-379; for a different appraisal see the *American Federationist*, Vol. 34, No. 9, Sept., 1927, pp. 1043-1044.

government, and that it was responsible for Calles' religious policies and also for the problem of a growing immigration of Mexicans into the United States, which the C. R. O. M. was not willing to prevent.¹²

Another writer suggested that the fear was great within the ranks of the A. F. of L. that Communism had seized control of Mexican labor. This idea received support when, at the A. F. of L. Convention held in Detroit in 1926, delegate Fitzpatrick, a Presbyterian minister, speaking on the floor of the convention, attacked the C. R. O. M. as anti-religious and stated that an "unsophisticated president of the American Federation of Labor had been misled by a Y. M. C. A. worker dressed in sheep's wool who in fact turned out to be wearing red underwear of Communistic Russia." This minister accused the C. R. O. M. of supporting President Calles and his anti-religious moves against Catholics. The delegate stated that he was not necessarily concerned with the persecution of the Catholics except as it represented the attitude of the Mexican government against all religions. The minister closed his attack on the Mexican Federation of Labor by saying that until the A. F. of L. "clears its skirts of slime which was attached to it through the deception practiced on the Executive Council by the paid propagandists of Bolshevik Mexico, that we had better mend our boast that we stand for free speech, freedom of conscience, freedom of press and freedom of assemblage." Various members of the Executive Committee of the American Federation objected strenuously to the delegate's attack on Mexican labor and also on the Executive Committee, and warned that this was not the time to deal in religious discord and thus disrupt the Federation's program toward economic democracy. In any case, a committee was appointed by the convention to investigate and report upon the relations of the C. R. O. M. and the Mexican government, the report to be made at the convention to be held in 1927.¹³

While the A. F. of L. was growing farther and farther away from the Mexican Federation, labor leaders in Mexico were willing

¹² Lorwin, *Op. cit.*, cites the religious issue as one to be avoided.

¹³ *Report of Proceedings of the Forty-Sixth Annual Convention of the American Federation of Labor*, 1926, pp. 361-366.

to cooperate to the fullest extent. Ricardo Trevino, fraternal delegate from Mexico, in his speech before the convention in 1926 declared that: International solidarity is a principle upon which all the labor movements of the world are based but that there existed even a greater tie between Mexico and the United States; that the same corporations oppressing American labor were oppressing Mexican labor; that the Mexican labor movement had advised its members to consume only those import goods from the United States which had been made by union labor; that Mexican labor and even the Mexican government sought to transact all its business through labor banks owned and controlled by unions affiliated with the A. F. of L.; and, finally, that the Mexican Federation of Labor had adopted a resolution urging the government to prevent any attack on the American Federation of Labor.¹⁴

In the decade from 1927 to 1937 the antagonism between the A. F. of L. and the Mexican labor movement continued to develop and the Pan-American Labor group became less and less effective. In 1932 the report of the Executive Committee of the A. F. of L. to its Convention stated that no meetings of the Pan-American Labor group had been held "during recent years owing to existing economic conditions, continued political revolutions and military uprisings that have taken place."¹⁵ Another reason for its failure was the "military and political revolutions together with economic depressions prevailing in various countries of Pan-America."¹⁶ *The Proceedings of the American Federation of Labor* for 1933 contain a statement that the Mexican Federation of Labor had sent a cordial invitation to the A. F. of L. and the Pan-American Federation to attend its twelfth annual meeting but "previous engagements" prevented attendance.¹⁷ Very little attention was given by the A. F. of L. to the Pan-American labor movements during these years and interest decreased to such a

¹⁴ *Loc. cit.*, 133-135.

¹⁵ *Report of the Proceedings of the Fifty-Second Annual Convention of the American Federation of Labor*, 1932, p. 115.

¹⁶ *Report of Proceedings of the Fifty-Second Annual Convention of the American Federation of Labor*, 1932, p. 438.

¹⁷ *Report of Proceedings of the Fifty-Third Annual Convention of the American Federation of Labor*, 1933, p. 169.

point that no mention whatsoever was made concerning either the Pan-American or the Mexican movement in the *Report of the Proceedings*, in 1937.

During the years in which the Pan-American Federation of Labor was attempting to present a united front, American labor was gradually being influenced by the theory of the economists and leaders of the United States that poverty was abolished; that there would be two cars in every garage and a chicken in every pot. The same spirit of loose economic thinking manifested by the American financial leaders and economists in the United States from 1920 to 1930 seized the American labor movement. This philosophy, plus the millions of dollars used by the corporations for propaganda and bribery purposes in the United States against Mexican labor and Mexican reform movements, greatly influenced the thinking of the American labor leaders. Then, too, as the weight of the depression years accumulated, the generosity of the A. F. of L. leaders gradually declined. With the death of the Pan-American movement and the refusal of American labor to continue its close cooperation with Mexican labor, a new era of labor relations dawned on the North American continent.

In Mexico during this period, 1927-1937, political and economic conditions brought about the gradual decline of the C.R.O.M., the Mexican Labor Federation with which the A. F. of L. had cooperated since the beginning of the labor movement in Mexico. As the C.R.O.M. declined the *Confederacion de Trabajadores de Mexico* (C.T.M.) increased in power. During this same period conflict arose within the ranks of the A. F. of L. over the question of craft vs. industrial unions, and out of the disagreement there developed the C.I.O. Thence forward, the new alignment in American labor circles was the A. F. of L. and the decadent C.R.O.M. vs. the C.I.O. and the C.T.M. Numerous efforts were made by radical organizers from outside of America to form a Latin-American bloc in world labor organizations but each effort failed. The C.T.M. in Mexico took the lead in forming a purely American labor organization and in this move was supported by the C.I.O.

On June 30, 1938, the *Mexican Labor News* announced that the

long-planned Latin American Labor Congress would be held in the City of Mexico in September for the purpose of forming an international labor federation in which all the Latin American republics would be represented. Labor unions from Great Britain, France, Spain, China, India, the United States, as well as the Latin American states were invited to send delegates. The labor conference met and, on September 8, elected Lombardo Toledano, the general secretary of the C.T.M., as the first president of the Confederation of Latin American Workers. The information of this Latin American Confederation was a continuation of the Pan-American Federation idea but not the organization which had been sponsored by the A. F. of L. under Gompers. The new organization departed from the Pan-American idea in that it introduced European labor representatives and recognized the supremacy of Latin-American leadership rather than Anglo-American.

The attitude of the Labor Congress toward the A. F. of L. was exemplified by the following statement:

William Green's recent charges that the present Congress would be the means of spreading "communist" propaganda throughout Latin America provoked great indignation among the delegates to the Congress, while his threat to revive the moribund Pan-American Labor Federation in opposition to the new organization was met with confident smiles of these representatives of Latin American Labor determined to wage a united struggle to raise living and working conditions in their twenty republics and to defend the rights of the labor movement against the encroachments of reaction and fascism.¹⁸

Toledano branded as lies the propaganda in the United States which tried to characterize the meeting as fascist and communist. He denied not only this accusation, but also a statement that had been published in the *New York Times* that the Labor Congress was to demand the same wages in Latin American countries in United States-owned institutions as were being paid in the United States for similar types of work. He also explained that all of Latin American labor was represented except that of Brazil which was omitted because Mexican labor was afraid that Dictator Vargas would send fascist representatives to Mexico. The *Labor News*, in reporting the meeting, stated:

No less than 30,000,000 workers in all parts of the world have been represented in this historic congress, to which fraternal delegates from the United

¹⁸ *Mexican Labor News* (September 8, 1938), Vol. 5, No. 11.

States, Europe, India, and China have brought the solidarity and cooperation of their own organizations. For the first time, direct contact has been established between all the labor organizations of Latin America and the outstanding labor bodies of the most important countries of the world. Among the fraternal delegates were John L. Lewis, representing the more than 4,000,000 workers of the American CIO; Leon Jouhaux, who spoke in the name of the 5,000,000 members of the French General Confederation of Labor; Ramon Gonzalez Pena, leader of the Spanish UGT (General Union of Workers) and Minister of Justice in the present Spanish government; Serafin Aliaga, of the Spanish CNT (National Labor Confederation); Edo Fimmen, secretary-general of the International Transport Workers Union, two million strong; Ragnar Casparson, of the Swedish Confederation of Workers; and Guru Swami, general secretary of 100,000 railroad workers in India. The international Labor Office of the League of Nations also sent a delegate, A. J. Staal, to the meeting.¹⁹

John L. Lewis, president of the C.I.O., attended all meetings of the convention but spoke only once and in his conclusion stated that,

The formation of this organization is one of the most significant events that have happened for a long time. The revelations of the economic and social conditions in various countries made at this conference are in some respects astonishing. They show conclusively that large foreign corporations in various countries are exercising their influence with the different governments to impose miserable wage structures and degraded working and social conditions on the workers. Obviously labor in the South American countries is awakening to a consciousness of its rights and is organizing to a marked degree, thus becoming articulate, able to voice its wrongs, and publicly proclaim its objectives. I think this is a helpful condition and an encouraging trend. The international organization now formed should be able to do much to ameliorate its woeful status and bring intelligent public opinion to bear in support of its proper claims.²⁰

The purpose of this new Latin American organization was clearly stated:

They declare that the principal task of the Latin American working class consists in achieving the full economic and political independence of the Latin American nations and in liquidating the semi-feudal survivals which characterize them, for the purpose of raising the economic, social, and moral conditions in which the great masses of their peoples are now situated.²¹

The Congress declared that Fascism was opposed to the methods and purposes of the working class, to the development of culture and labor, and the delegates agreed to denounce its presence and

¹⁹ *Ibid.*

²⁰ *Ibid.*; see also John L. Lewis' article in *Futuro*, October, 1937.

²¹ *Mexican Labor News*, (September 8, 1938), Vol. 5, No. 11.

activities whenever it appeared. Other purposes of the Latin American movement were: Unification of Latin American working classes in a framework recognizing the autonomy of each group; cooperation towards progress of labor legislation in Latin America; a struggle against all imperialism in order to achieve the real independence of all Latin American countries, and finally to "struggle against wars of aggression or conquest, against reaction and against Fascism."²²

In the closing moments of the Latin American Labor Congress, the President of Mexico sent a message of good cheer and the Congress, in return, pledged the delegates' support to the labor policies of his administration and to Mexico against the imperialism of big business.

William Green, President of the A. F. of L., had been invited to attend the Pan-American Congress in Mexico but instead of accepting the invitation he remained at home and violently denounced the Congress. It was stated on numerous occasions in Mexico that the A. F. of L., through its delegates, Matthew J. Woll and J. Chester Wright, who were visiting in Mexico City, were attempting to reestablish the old Pan-American Federation of Labor in opposition to the new Mexican-dominated organization. These two delegates evidently had a conference with the old C.R.O.M. leaders and decided to call a conference of Latin American labor to meet in Cuba with a view of reorganizing the defunct Pan-American Labor movement which had been previously supported by the A. F. of L.²³

It would appear that such a move on the part of the A. F. of L. would be foredoomed to failure from the beginning, since all the representatives of organized labor in Latin America were already allied with the Congress of Pan-American Labor: Such a failure did occur, according to the *Mexican Labor News*, June 22, 1939, when the Confederation of Cuban Workers refused the invitation to take part in the Sixth Congress of the Pan-American Federation and, at the same time, denounced the A. F. of L. for at-

²² Cf. "Balance de 4 Anos de Nazismo," *Futuro*, October, 1937, pp. 29-35.

²³ *Mexican Labor News* (October 20, 1938), Vol. 5, No. 17; *The Report of the Proceedings of the American Federation of Labor*, 1938, pp. 225-226.

tempting to divide the Pan-American labor movement.²⁴ These events made it evident that the heyday of the A. F. of L. leadership in Mexico was gone and whatever encouragement Latin American labor was to receive from the United States would come from the C.I.O.

In the Convention held in Pittsburgh, November, 1938, the C.I.O. endorsed by resolution the contributions which John L. Lewis had made, as an observer, to the Pan-American Labor Congress in Mexico and pledged its support to the "efforts of the masses of Latin American Workers to achieve economic and political Democracy."²⁵ The following year, in the Convention held at San Francisco, further endorsements were made, the economic factor apparently creating the motive. John L. Lewis, in supporting the endorsement, carefully explained that the United States would gain in trade by improvement of the condition of labor in the Latin American countries. He did, however, express a broad motivation:

There has been a great deal of stupidity in connection with our governmental policy with respect to the South American countries, but it only needs a common sense policy in order to first promote greater trade relations; secondly, to improve the living standards of those people; thirdly, to increase the cultural and political relationship and sympathies between those populations of their own country; and, fourthly, to create an atmosphere whereby the Government of the United States may look forward down the road of the future in having associated with us the countries of Central and South America to protect the integrity of the Monroe Doctrine in the Western Hemisphere.²⁶

In 1940 definite action was taken in the C.I.O. Convention which met in Atlantic City. The resolution adopted stated that: (a) organized labor in the Americas had common interests; (b) the development of strong labor unions was a guarantee to democracy; and (c) the Executive Committee had already created strong bonds of friendship. In view of these facts, the convention

²⁴ See also *Mexican Labor News* (October 20, 1938), Vol. 5, No. 17; *The Report of the Proceedings of the American Federation of Labor*, 1939, p. 224.

²⁵ *Proceedings of the First Constitutional Convention of the Congress of Industrial Organizations*, held in the city of Pittsburgh, Pennsylvania, November 14 to November 18, 1938, Inclusive, Resolution No. 61, p. 247.

²⁶ *Daily Proceedings of the Second Constitutional Convention of the Congress of Industrial Organizations*, October 10, 11, 12, 13, 1939, San Francisco, California, 271.

authorized the Executive Committee to: (a) continue a program of mutual cooperation with the genuine labor movements of Latin America, and (b) to ask for positions on governmental bodies dealing with Latin America.²⁷ Thus, the C.I.O. announced a statesman-like policy which coordinated with the foreign policy of the Nation could make a great contribution to hemispherical unity. The American Federation of Labor could have continued to make a splendid contribution to the advancement of organized labor in Latin America and especially so since Gompers had laid such a worthy foundation for a hemispherical labor program, but the leaders lacked vision for the accomplishment of such an ideal. In general, labor has had little influence in the overall Latin American diplomatic relations in the past, but there is much evidence to indicate that labor will more and more demand and receive recognition in this regard very much as organized business does today. This participation in foreign affairs in the Western Hemisphere must come through a coordinated movement of labor and not through a divided, bickering labor group.

²⁷ *Daily Proceedings of the Third Constitutional Convention of the Congress of Industrial Organizations*, November 18, 19, 20, 21, 22, 1940, Atlantic City, New Jersey, Resolution No. 53, p. 283; *Mexican Labor News*, October 12 and 19, 1939, Vol. 7.

Book Reviews

EDITED BY O. DOUGLAS WEEKS

The University of Texas

Rider, Fremont, *The Scholar and the Future of the Research Library; a Problem and its Solution*. (New York: Hadham Press, 1944, pp. xiii, 236.)

It is hard for a professional to review this book for a lay audience. Many of the questions raised by its provocative thesis belong to the arcana of librarianship. Librarians can have—and are having—a technological field day with these lesser aspects of Mr. Rider's book, but his principal points are so much the concern of scholars and research workers everywhere that this book cannot fail of an interested audience apart from the staffs of libraries.

The problem as posed by Mr. Rider is simply this: research libraries are increasing at so rapid a rate that their rising costs are coming under sharp and critical scrutiny. As evidence, he demonstrates that research libraries in general appear to double about every sixteen years—college libraries double every twenty-two years; the newer university libraries (like Chicago, Illinois, California) every nine and one-half years; the older university libraries (like Harvard, Yale, Columbia, North Carolina, Virginia) every sixteen years. If this curve of growth is extrapolated into the future, the library of Yale University would, in 2040, have approximately 200,000,000 volumes on 6,000 miles of shelves, indexed by a card catalog consisting of nearly three-quarters of a million catalog drawers, and occupying not less than 8 acres of floor space. It may be conservatively held that this illustration is composed of figures too astronomical to be realistic. The author points out, however, that they are no more unbelievable than would the Yale figures for 1938 (when the library consisted of 2,748,000 volumes) have been to Yale's librarian of 1738, when the library had only a few thousand volumes.

Size is a problem only because of cost. Human ingenuity is sufficient to organize vast congeries of books for scholarly use if sufficient funds are provided for their acquisition and organization. Mr. Rider presents some interesting, and to many, startling data on library costs. His figures are worth repeating, since his solution is aimed directly at the reduction of certain of these costs. For his own library, that of Wesleyan University, he found the average cost of a volume (including overhead) to be \$0.95. This

surprisingly low figure reflects a considerable proportion of gift material, a condition common to all research libraries. Binding and all minor physical preparation cost \$0.40 per volume; cataloging cost, per volume, \$1.05; and storage, \$0.75. Thus for a volume averaging \$0.95, the additional cost necessary to make it available to the library's clientele totals \$2.20. To many it is a matter of surprise and dismay to find that in a well-run library the cost of the book itself is such a small proportion of the total. Librarians who have had the courage to compile cost figures, however, must agree that Mr. Rider's figures are not dissimilar to their own.

Here is a problem in size and cost, then, that cries out for a solution in order that scholarship may not be cramped by a lack of books. The author's proposed solution is startling and ingenious. For large areas of literature he proposes that pages of books be photographed down to microscopic size and printed on cards approximately 3"x5" in size, 200 pages per card. Technically, this is not at all impossible. The ratio of reduction is no greater than that used now for microfilming newspapers. Many scholars regularly make use of microfilmed books and newspapers, in lieu of the originals; and have themselves, with small cameras employing motion picture film, made their own films of rare books and manuscripts. The Readex Corporation has recently published in microprint form a number of out-of-print bibliographies and a long run of British parliamentary papers on 6x9 inch pages, each containing 100 pages of material in micro-reduced form. It is only a small step from microfilm and microprint, as they exist at this moment, to Mr. Rider's proposal for micro-cards.

This is a slashing attack on the cost of storage and binding. It is the author's belief that the per-volume cost can also be reduced by microfilm techniques. There remains the cost of cataloging and classification. The proposal here is to centralize cataloging in the hands of the agencies publishing micro-cards and to print the data normally found on a catalog card on the face of the micro-card. Thus we have combined in a single object both book and catalog.

Should libraries adopt the micro-card, the researcher's library procedure would be something like this: He would approach a card catalog similar to the familiar one, seek his book under author, title, or subject and, having located the catalog card, would withdraw it and substitute a call slip. This micro-card he would read in a reading machine. The call slip substituted in the catalog would show that the book was in use. But it should be borne in mind that there would be additional copies of the book filed else-

where in the catalog under entries other than the one by which our client had approached the book. Thus it would be possible for a library to have several copies of every book at a cost, if Mr. Rider's calculations are reasonably accurate, much less than the cost of a single copy of a normal book.

The problem presented is a familiar one to librarians, the solution bold and intriguing. There are admittedly many subsidiary problems to be worked out—problems of manufacture, of copyright, and of use. For each of these Mr. Rider has an answer, most of which are sufficiently plausible to encourage continued consideration of his proposals. Perhaps the only significant factor he has failed to consider adequately is the human element. His solution requires the use of magnifying apparatus—a reading machine. This necessity introduces a new element into the relationship of reader to book with which we have as yet had only limited experience. There have been many technological changes in the manufacture of books, but the book itself has not changed in form for more than 500 years. Until the last decade, no books were manufactured—except as curiosities—which could not be read easily by the naked eye. The relative inconvenience of employing a reading machine may prove to be the bar to ready acceptance of this ingenious solution to the major bibliothecal problem of the day. Despite this possible disability, Mr. Rider's book may profitably be read by practicing scholars who will gain from it an intimate view of the basic problems of research libraries.

The University of Texas

DONALD CONEY

Dabney, Thomas Ewing, 100 *Great Years*. (Baton Rouge: Louisiana State University Press, 1944, pp. ix, 552.)

If one should turn through the pages of a newspaper published continuously in one community for more than one hundred years, he would find reflected there in multitudinous detail the changing life of that community. Thomas Ewing Dabney thus turns through the files of the *New Orleans Picayune* (in later years the *Times-Picayune*) from that first four-page, four-column sheet which appeared in New Orleans one rainy day in 1837 to the many-paged, eight-column editions of 1940. From this study, judiciously supplemented by references to other sources, he has produced a progressive picture of one hundred years of life in an American city.

At least three attitudes grow naturally out of this newspaper-based pattern for the book. 100 *Great Years* consistently remains centered in New Orleans. The reader can see that events in New Orleans often present a case study of similar developments in

other cities of the South. Social trends and social excesses in New Orleans, obviously, reflect such trends and excesses elsewhere. The Civil War, the growth of big cities, westward expansion, the industrial revolution, and other events and movements that changed the complexion of the country find important places in the book. It remains true, however—just as a newspaper is likely to emphasize national events and social changes in terms of their effect on the local community—that Mr. Dabney's treatment emphasizes the New Orleans "angle." Also, in keeping with the newspaper pattern, Mr. Dabney stresses the human factor in history. "The historian, in writing social history, should give more attention to newspapers than to state documents and economic summations," he remarks in his preface; "for the newspaper columns, whatever their errors of fact or conclusion, reflect the beliefs and the interests and the emotional content of the times, and these are the road which humanity has always followed . . ." As a newspaper concerns itself primarily with recording what happens rather than causes and potential results, so does this book concentrate primarily on recording events rather than explaining them.

The contents of the book, though not so divided, seem to fall logically into three parts. The first hundred pages present the growth of New Orleans from 1837 to the Civil War. The next one hundred-thirty pages describe Civil War and Reconstruction days in Louisiana. Into the remaining three hundred pages are crowded a stream of activities, important and trivial, that entered into the later development of New Orleans.

To Mr. Dabney goes the credit for accepting a difficult task and for fulfilling that task in an admirable manner. His book is an adequate reflection of one hundred years in the life of New Orleans as mirrored in one of the South's great newspapers. The difficulty in reviewing the book lies in defining the reader audience to which such a book will appeal. Many who may find parts of the book too concerned with trivialities and surface events will concede that the book is invaluable for some particular contributions in other parts.

The historian, for example, will likely find that many chapters in the book merely summarize the obvious and well-known facts of history; yet the thirteen chapters on the Civil War and Reconstruction present a detailed and stirring picture of turmoil in a large Southern city such as may constitute a real contribution to research on this period. Historians and other scholars are

likely to wish for a keener analysis of the significance of events, for an exploration into causes and motives; yet they may find that Mr. Dabney's frequent touches on the human interest side will help them to a better understanding of "the beliefs and the interests and the emotional content of the times."

Journalists will find little in the book about their profession. Though the subtitle of the book reads *The Story of the Times-Picayune From Its Founding to 1940* and though the author dutifully returns to the newspaper in three or four short chapters spaced at intervals, the newspaper bears about the same relationship to the story unfolded in the book as does the screen in a movie theater to the story unfolded through the film upon it. It is the story with which Mr. Dabney is primarily concerned rather than the instrument which recorded that story. Yet, in a professional way, the journalist will probably find interesting his brief glimpse into the life of Miss Pearl Rivers, one of the South's first women journalists, who became literary editor and then publisher of the *Picayune*, who introduced society stories to the South, and who brought Dorothy Dix into print; and he will no doubt enjoy the account of how the *Times-Picayune* uncovered evidence to help to destroy the Huey Long political graft in Louisiana.

The lay reader, pursuing the printed page for entertainment as well as for mild doses of information, will doubtless find the first eight chapters and a few later chapters tedious and confusing with their multitudinous details that seem to have no focus save to amplify such chapter headings as "Challenge" and "Struggle" and "Flashes." Yet such lay readers will find their interest quickened by the narration of reconstruction riots, by such human interest portraits as that of "Saint" Margaret, by such stories of conflict as James Buchanan Eads' conquest of the Mississippi mud bars or the race of the riverboats, the *Natchez* and the *Robert E. Lee*.

Horace Lorimer, late editor of *The Saturday Evening Post*, is credited with explaining the success of his magazine and its wide appeal by saying that each issue is planned so that every reader will praise something in it and no reader will praise all that is in it. A similar conclusion seems justly to fit 100 *Great Years*.

The University of Texas

DEWITT REDDICK

Guerard, Albert, *Napoleon III: An Interpretation*. (Cambridge: Harvard University Press, 1943, pp. xxii, 338.)

This is not a formal or a conventional biography, as the title implies. The author found it impossible to treat the biography

of Louis Napoleon Bonaparte without giving full attention to his career as the Pretender, President, and Emperor. And this man's career is linked with the whole history of European culture for over a quarter of a century.

Employing analogy — a very dangerous business for the amateur — and making brilliant psychological deductions, this master of English prose paints a finely shaded portrait of the elusive Napoleon. Every page of the biography testifies to Professor Guerard's mastery of the French scene and of his understanding of his American audience. Napoleon III is presented as one of the makers of modern Europe.

The author shows how three forces united in raising Louis Napoleon to supreme power: The Imperial Legend, the dread of disorder, and humanitarian democracy. Still there entered into this man's career accidents, a personality, and a principle. The principle was direct democracy. But this "experiment failed, not because the principle could be proved wrong, but because it was not applied in its full and honest simplicity."

As a leader Napoleon III was gentle in speech and smile, generous, possessed quiet intellectual courage, and was profoundly devoted to the causes of the masses. His dreams were of the future, not of the past, and he was at heart an industrialist, not a financier. Chapter nine — "Saint-Simon on Horseback" — contains the author's analysis of Napoleon's economic and social policy. Prosperity was the key word of the Second Empire. His chief interest was industry, and his conception of it was that it was collectivistic: that it entailed the necessary cooperation of the many to serve the needs of the many.

Louis Napoleon was never able to resolve the great conflict between authority and liberty. He terminated the second republic December 2, 1851 "offering freedom from foreign dictation, freedom from endemic disorder, freedom from economic distress, and this at the expense, not of democracy, but of Parliamentary practices." Is it true that democracy did not suffer? Some readers will wonder why Napoleon III received such crushing majorities from the electorate in 1848 and 1852.

Louis Napoleon stood for the right of national self-determination. Yet he got involved in Mexico with other European states, first to settle financial claims, then to open a rich source of supplies and a vast market for European industries, and perhaps fortify Catholic Hispanic America against that great Protestant Anglo-Saxon nation to the north. Prestige, however, was the

keynote of Napoleon III's reign, and French pride was wounded by the dramatic defeat of Austria by Prussia at Sadowa July 3, 1866. She—France—must recover her self-respect. But it was not Louis Napoleon alone who sought war with Prussia. All parties wanted war: Cabinet, Parliament, the press, even mobs in the streets of Paris. France fell because she tried to frustrate German unity without matching Prussia's military effort.

The fatal flaw in Louis Napoleon's Empire, the author avers, was the restoration of heredity.

The general reader will be grateful for the paucity of citations and the student will appreciate the annotated and classified bibliography. Six illustrations—one of them of the Emperor—add interest and attractiveness to the book. The author's introduction is a model of excellence. And the chapter captions are apt and intriguing. This book is informing, delightful reading, thought-provoking.

University of Oklahoma

RALPH H. RECORDS

Leary, Lewis, *That Rascal Freneau: A Study in Literary Failure*. (New Brunswick, N. J.: Rutgers University Press, 1941, pp. x, 501.)

Philip Freneau (1752-1832) has an assured place in American history for several reasons. His ballads and satires comprise the largest single poetic contribution to the propaganda of the American Revolution; his work in belles-lettres is generally regarded as the first significant appearance of the Romantic impulse in our literature; and he was the editor in 1791-93 of the *National Gazette*, the first "opposition" party newspaper. George Washington called him "rascal" at a cabinet meeting during the height of the excitement about the Federalist neutrality policy in the war of the newly-born French Republic against Great Britain, but Jefferson once remarked that Freneau had saved the Constitution when it was "galloping fast into monarchy."

In the preface to his biography, Professor Leary remarks that Freneau's "importance as a poet, as a journalist, and a political propagandist has been expertly chronicled," and that he has therefore emphasized "biographical and bibliographical information." This is over-modest. It is true that Freneau's political activities were described more than forty years ago by Samuel E. Forman, in the *Johns Hopkins Studies in Historical and Political Science* (Series XX, Nos. 9-10), and that his poetry has been carefully examined by F. L. Pattee (1902) and, with the advantage of later scholarship, by Harry Hayden Clark (1929), but Professor Leary's

work is nevertheless based solidly upon a fresh and exhaustive examination of manuscript and periodical sources. He has provided new information at almost every stage of Freneau's remarkable life, and for the first time it is possible to speak with confidence about what Freneau read, the provenience and text of many of his best-known poems, and the details of his long and involved connection with short-lived newspapers and literary magazines. The method chosen, to give a year-by-year account of Freneau's activities, illuminates many dark corners of the "critical period" of American history. All the reviewers of this book have been impressed, and justly, with its scholarship, and, for its purposes, the unusually heavy burden of notes and bibliography (over one-fifth of the whole) is probably not excessive.

Of Professor Leary's thesis, that Freneau was a literary failure because "his life was a series of alternating compromises with and escape from activity in revolutionary America," much might be said. The place of the man of letters in political activity is always a debatable matter, and Freneau is an excellent example of the difficulties in combining art and political action. In his case, however, there was a complicating factor, the confused state of both the American press and the American reading public. There have been few times in which the inter-relations of belles-lettres, politics, and economics have been more complex than in the last quarter of the eighteenth century. I know of no better place to observe them in detail than in this book.

The University of Texas

THEODORE HORNBERGER

Barnes, Irston R., *The Economics of Public Utility Regulation*.
(New York: F. S. Crofts and Company, 1942, pp. xxiv, 959.)

This volume deals with the economic objectives, aspects, and consequences of public utility regulation. It is based upon carefully selected materials of the more active State public service commissions, the Securities and Exchange Commission, the Federal Power Commission, and federal court cases. The author has thoroughly digested this vast body of data and has written an exceptionally penetrating discussion.

A consideration of the legal basis of utility regulation, the economic characteristics of public utilities, and the nature and organization of regulatory agencies furnishes the background for a detailed analysis of the crucial problems of rate control, price determination, the setting of the rate base, operating expenses, security issues and capitalizations, and intercorporate relations.

Several other pertinent problems having to do with public utilities, such as the regulation of service, franchises, accounting, hydro-electric developments, and the interstate transmission of electricity and gas receive less extensive but nevertheless effective treatment.

The author points out that public utility commission regulation represents a development indigenous to this country and takes the position that it is decidedly superior in several respects to either of the alternative methods, i. e., competition, judicial regulation on a common law basis, or legislative control. According to the theory of commission regulation, a nonpolitical, bipartisan, technically qualified group of individuals devoting full time to the duties of their office may develop skill through experience in dealing with problems of public utility control which will make them true representatives of the public interest as a whole and not merely representatives of that of consumers alone. The function of the commission is to allow the public utilities to receive earnings sufficient to cover the costs of the service rendered and at the same time protect the consumer against unreasonable rates. The writer believes that the commission should be vigilant in protecting all interests and that it should not simply relax into a passive judicial attitude.

The author's critique of the "present-fair-value policy" is excellent. In addition, he ably substantiates his position that at the present time the problems of rate regulation can best be solved by the adoption of a "modified prudent-investment program."

In considering the question of public ownership of public utilities, the writer calls attention to the variations in the extent and importance of public ownership for the different utilities. He gives a fair and comprehensive treatment of the controversial subject of public ownership and operation of public utilities. In his opinion, the economic justification for multiple purpose power projects lies in the fact of their overall savings in contrast to the greater costs of separate and unintegrated private power projects.

Although the writer believes the case book method in teaching courses in public utilities to be preferable to the textbook method, he knows that some teachers do not share this view. In *The Economics of Public Utility Regulation*, he has written a book which is designed to serve the dual purpose of case book and textbook. It is voluminous and contains discussions which become somewhat involved.

The format of the book is good. The book is unusually free from typographical errors. It is adequately documented, has a selected bibliography, a well-chosen table of cases, and an excellent subject index. Despite its great length, it is one of the outstanding textbooks in its field.

University of Oklahoma

CLAUDE A. CAMPBELL

Odum, Howard W., *Race and Rumors of Race: Challenge to American Crisis*, (Chapel Hill: The University of North Carolina Press, 1943, pp. x, 245.)

This book is the work of a sensitive and competent southern observer who saw "Crisis in the Making" in the early 1940's and believed that the publication of some of "the mass of race rumors that swept, floodlike, upon us in the major areas of White and Negro relationships in the South" might serve in some small way to stem "The Rising Tide of Tension".

The result is quite fairly described and evaluated by the publishers as "the story of racial tension in the United States as it existed during the year of global war from mid-1942 to 1943. No story in the nation is more worth telling, for the Negro's struggle toward greater freedom and opportunity has been accepted the world over as a test case for Democracy."

Part One is given over to an examination of the nature of the crisis. After two chapters dealing with the evidences of "Crisis in the Making" and a discussion of "The Rising Tide of Tension" resulting from the divergence of "the realistic, living credo of the South with reference to the Negro" from "what might be called the symbolic credo of the Nation at large", a chapter each is devoted to assaying the roles of the South, the "New Negro Generation," and "The North" in the mounting conflict. The conclusion is reached that all three groups consider themselves to be "right" and that a good part of the crisis consists in the fact that they have "met head-on with completely conflicting philosophies and inflexible leadership."

Part Two recounts some of the rumors that have emerged as by-products of the struggle. An effort is made to classify the rumors, and chapters are devoted to the following topics: "The New Dilemma of Domestic Service", "The Romance of the Eleanor Clubs", "The First Lady's Heritage to the Folk Story", "Man, Work, and Equality", "The Ice Pick and Race Riot Rumors", "The Negro in the War Services", "The Negro and Travel", "When Hitler Takes Over", "Rumors and Stories Among the Negroes", "The Role of Outside Agitators", and "Science, Technology, Education, the Press, and Radio".

Part Three deals with "The Way it Was," "What Was Being Done About It," and "The Way Out and the Way On."

Based as it is on some two thousand rumors, the book offers real insight into the nature of the so called race problem. Because it is the result of carefully planned and honestly conducted research, the author's suggestions as to "the way out and the way on" are exactly what they had to be. The book is offered as "literally an affectionate appeal to all the people of the nation and a challenge to its leadership . . . in facing truth wherever found; in the asking of essential questions; in the search for correct answers. The eager quest for a new covenant through scientific and cooperative endeavor . . . leaves no place for bitterness and hate, for name-calling and blame, for flight from that reality which is America's heritage and opportunity."

And something of the magnitude of the problem before us is suggested by the fact that the foregoing proposal, though it certainly reflects credit on its author, makes sense to but very few people.

The University of Texas

REX D. HOPPER

Patrick, Rembert W., *Jefferson Davis and his Cabinet*. (Baton Rouge: Louisiana State University Press, 1944, pp. x, 401.)

In addition to the book here under review, two other works have appeared in recent times, dealing with Jefferson Davis and the Confederate cabinet: Burton J. Hendrick, *Statesmen of the Lost Cause, Jefferson Davis and his Cabinet* (1939) and Alfred J. Hanna, *Flight into Oblivion*, 1938). Mr. Hendrick made his book largely a study in Confederate diplomacy, and Professor Hanna took up only the last days of Davis and his cabinet, before the fall and immediately following. There is, therefore, ample room for the study which Professor Patrick has here made.

Unlike Mr. Hendrick and many other commentators on the statesmen of the "Lost Cause," Patrick finds in the fourteen men who at one time or another held places in the cabinet, statesmanship as of high an order as the Confederacy possessed. He believed that considering the problems with which they had to deal, they did as well as any other Southerners could have done, and, indeed, as well as Lincoln's cabinet, had it been in the place of the Southerners. This is a conclusion that is based on sound reasoning and much research—a judgment that has long been due these statesmen whose cause did not win. Success should not be the only test of ability.

In following the careers of the cabinet members who filled the six executive departments, Professor Patrick gives not only a short characterization of each (and where the person is important enough, brilliantly and vividly done) but also a penetrating description of the work of each department—making in sum total a work much broader than the title of this book is likely to suggest. One gets an interesting description of the way in which the Post Office Department worked and its short-comings, the problems of the Secretary of the Treasury in raising revenues, the tribulations of the War Department as well as its accomplishments, how the State Department tried to gain recognition for the Confederacy, how Secretary Mallory got together his navy, the decisions of the Attorney-General, who presided over the first Department of Justice in America—such and more are in this book. A chapter on social life in Montgomery and Richmond might not have been included in such a study, by a less imaginative and penetrating scholar than Professor Patrick.

The men who loomed biggest in this picture of the Confederate cabinet are Judah P. Benjamin, Cristopher G. Memminger, James A. Seddon, and Stephen R. Mallory. This work is distinctly a contribution to the history of the Confederacy, well-written and authoritative.

The University of Texas

E. M. COULTER

Book Notes

Henry P. Seidemann's *Curtailment of Non-Defense Expenditures*. (Washington: The Brookings Institution, 1941, pp. vii, 54), gives a brief survey of federal, state, and local expenditures with the purpose of pointing out a pattern for the curtailment of non-defense expenditures. By a series of logical and convincing arguments, the author contends that by decreasing non-defense expenditures it is possible to further the war effort through better utilization of manpower, finance, and material. The alternatives confronting the nation are either to proceed without concern over the mounting public indebtedness or to strive to limit its growth without impairing essential governmental functions with the object of stabilizing the economic life of the nation. Of the three possible means of limiting the size of federal deficits, viz: one, to confine defense expenditures to the indispensable requirements for the kind of a war in which we are engaged; two, to increase taxes; and three, to curtail expenses for non-defense purposes, the author confines his discussion to a plan for the adequate curtailment of non-defense outlays. The author's suggested reductions of expenditures in: flood control, rivers and harbors, other water projects, agriculture, public domain, public welfare, highway development, and executive and other general activities together with the transfer of certain costs to state and local governments would effect a reduction of more than two billion dollars in federal expenditures for non-defense purposes. In order to secure the maximum reductions with the minimum disturbances to economic life, the author recommends "that a permanent bi-partisan committee of the Senate and the House be vested with continuing responsibility for analyzing expenditures—both for non-defense and for war purposes—with a view to achieving all possible economies consistent with present national objectives."

C.A.C.

Correction Please! (Los Angeles: Corrective Research, 1944), is a loose-leafed visible-indexed collection of papers directed to "the intelligent elite" whose responsibility it is "to so redesign the social system that the inborn nature of the philistine will guide him to behave better." The publishing organization seeks to instruct its subscribers in a "counter-system of reform for all of the main problems that remain unsolved." Several of the topics are: *The Youth-Age Pari-Mutuel*; *Orientation of Patents, Education, Statistics*; *Reasonable Medical Alternatives to the Law*; *Crime and Punishment*; *Devices for Controlling the Government*. In format and in point of view, this volume is most unusual.

W.D.W.